





Office of the Attorney General  
Washington, D. C. 20530

To the President and to the Congress of the United States:

I herewith submit the Attorney General's biennial Report on Federal Law Enforcement and Criminal Justice Assistance Activities, pursuant to Section 670 of the Crime Control Act of 1976 (P.L. 94-503).

As called for by Congress, the report sets forth the programs conducted, expenditures made, results achieved, plans developed, and problems discovered in the operation and coordination of Federal efforts in law enforcement and crime control.

It is intended to help members of Congress assess Federal performance over the wide spectrum of such activities and chart new policies and improved programs.

I trust that this report also will give additional insight into the Federal leadership role in the massive, national cooperative effort at all government levels to fight crime.

Respectfully submitted,

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ATTORNEY GENERAL'S REPORT ON FEDERAL LAW ENFORCEMENT  
AND  
CRIMINAL JUSTICE ASSISTANCE ACTIVITIES

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## INTRODUCTION

This report describes the activities of the 33 national agencies that are responsible for the Federal effort in America's battle against crime.

Under the U.S. Constitution, the principal authority for the promulgation and enforcement of criminal law lies with State and local jurisdictions. These jurisdictions continue to carry the greatest burden in what certainly has been one of the most harrowing problems facing our society over the past decade and more.

The U.S. Government, of course, remains responsible for enforcing all Federal statutes. However, with the growth in crime, the Federal share of the burden--through direct action as well as indirectly through financial aid, technical assistance, research programs and guidance--could not help but increase.

Congress, especially with its passage of the Omnibus Crime Control and Safe Streets Act of 1968, has mandated the greater Federal role.

We trust that this report will help Congress fashion new ways to improve criminal justice and law enforcement to the benefit of all Americans.



ADMINISTRATIVE OFFICE OF U.S. COURTS

The Administrative Office of the U.S. Courts, as its name implies, is the administrative agency for the Federal judicial system (except the Supreme Court). Office activities recently have focused on responsibilities under the Speedy Trial Act of 1974. As the administrative agency for the Federal judicial system, the Office also compiles statistics in a variety of areas such as, persons placed under the supervision of the Federal Probation Service, wiretapping by Federal and State law enforcement agencies, and the administration of the Criminal Justice Act of 1964.

The Administrative Office was created in 1939 and is supervised by the Judicial Conference of the United States. The Judicial Conference is composed of the Chief Justice, the presiding judicial officer, and the chief judge of each circuit, an elected district court judge from each circuit, and the chief judges from the Court of Claims and Court of Customs and Patent Appeals.

arraigned within 10 days of indictment, and be tried within 60 days after arraignment.

During the year ended June 30, 1976, the year preceding the phasing-in period, the district courts were able to reduce the backlog of criminal cases by 12 percent, from 22,411 to 19,756. The number of pending cases was reduced another 13 percent in 1977 to 17,109.

#### Federal Criminal Cases

During the year ended June 30, 1977, there were 39,786 criminal cases filed in the district courts. Under provisions of the Speedy Trial Act, minor offenses were added to the criminal case count of the district courts. With minor offense cases omitted, the felony-misdemeanor count was 31,288 cases, compared with 34,213 reported in 1976 and 41,108 reported in 1975.

The downturn in felony-misdemeanor figures can be traced partially to counting as the same case, all cases proceeded against by a superseding indictment or information except where the original case was dismissed on the motion of the defense.

Another factor was the drop in prosecutions for Selective Service violations, down to 120 in 1976 and 137 in 1977. This compares to 274 in 1975 and a high of 5,142 in 1972. Liquor law violations numbered 140 in 1977, down from 187 in 1976 and 349 in 1975. During 1977,

immigration violations dropped 1,436, compared to 2,070 in 1976 and 1,947 in 1975. These figures were far less than the 5,904 in 1972. Drug law prosecutions totaled 4,866 in 1977, down from 6,198 in 1976, and almost 2,500 fewer than 7,331 such filings in 1975.

Prosecutions for fraud violations (mostly postal) rose to a record in number of 4,986 in 1977. This was the only major offense category which reflected an increase in prosecutions during 1977.

#### Criminal Justice Act

Under provisions of the Criminal Justice Act of 1964 the Office administers the payment of counsels appointed by the district courts or circuit courts of appeals for indigent defendants. It also provides compensation for investigators, experts, and other services.

During fiscal year 1977, an estimated 46,279 cases were opened in which counsel was appointed under the Criminal Justice Act. Of this total, 26,147 persons were represented by private panel attorneys and 20,132 by defender organizations. When all claims are settled, the costs per representation during 1977 will average \$360 per district court representation and \$760 for cases represented on appeal.

### Federal Probation System

The Federal Probation System is supervised by the Administrative Office through its Division of Probation; however, primary control of the probation service is exercised by the district court. In 1977, there were 1,578 probation officer positions, of which 232 were required for presentence investigations. The remaining 1,346 officers supervised 64,427 persons for an average of 48 cases per officer. In 1976, there was a total of 1,452 probation officers, with 252 responsible for presentence investigations. The average supervision load for the other 1,200 officers was 54 cases per officer including the supervisory-administrative officers who handle little or no supervision responsibilities.

During 1977, the probation service conducted 101,725 investigations, almost half of which were presentence studies for the district courts. The balance included investigations of alleged violations, regular reports of persons in a parole or work-release status, and investigations connected with inter-district transfer. During 1976, probation officers completed 102,334 investigative

Persons received for supervision in 1977 totaled 35,098 compared to 35,102 in 1976. In 1977, 50 percent were placed on probation supervision by a district judge and 16 percent were sentenced to probation by the U.S. magistrate (the highest proportion on record). Of the total persons received for supervision in 1976, 52 percent were court probationers and 15 percent were placed on probation by a magistrate. Persons received for parole supervision decreased 17 percent, from 6,286 in 1976 to 5,222 in 1977. The number of parolees with special terms under provisions of the narcotics drug laws increased 45 percent from 1,205 in 1976 to 1,746 in 1977.

Excluding transfers, 34,979 persons were removed from supervision during 1977. This was slightly less than the 35,086 removed in 1976.

Members of the Probation Division regularly visit the district offices and confer with staff in the regional offices of the Bureau of Prisons and Parole Commission. The Probation Division works closely with the Federal Judicial Center which sponsors extensive training programs for probation officers, supervisory staff, and clerical assistants.

establish pretrial service agencies. On July 7, 1975, pretrial agencies, administered by Boards of Trustees, were established in the Districts of Maryland, Eastern Michigan, Western Missouri, Eastern New York, and Eastern Pennsylvania. Pretrial agencies, administered by the Division of Probation of the Administrative Office of U.S. Courts, were established in the districts of Central California, Northern Georgia, Northern Illinois, Southern New York, and Northern Texas.

#### Wiretapping

Under law Federal and State judges and prosecuting officials are required to report to the Director of the Administrative Office the interceptions of wire and oral communications.

Since 1969, the first full reporting year, the number of reported intercepts has averaged approximately 700. In general, approximately 20 percent are granted by Federal judges and 80 percent by State judges.

The 1976 calendar year wiretap report, submitted to the Congress on April 18, 1977, stated that there were 688 intercept applications made to judges. Of these, two were denied, one by a Federal judge in the District of Arizona and one by a State judge in New Jersey. Of the 686 authorized orders, there were 650 reports submitted by prosecutors. Where intercepts were installed, the

total number of days in operation was 11,880, the lowest number since 1970. The average number of persons intercepted was 54 and of the 662 communications heard, 272 were deemed to be incriminating. The average cost of intercepts reported in terms of equipment, manpower, and other costs was \$8,482 (the highest ever reported), with 161 intercepts costing \$10,000 or more.



DEPARTMENT OF AGRICULTURE

Food and Nutrition Service

The Food Stamp Program continues to command a major share of the U.S. Department of Agriculture law enforcement resources. Typical violations include theft, fraud, illegal trafficking in food stamps, counterfeiting, and acceptance of food stamps for liquor, tobacco, or other nonfood items. During fiscal years 1976 and 1977, approximately 3,000 investigations were conducted by the Department's Office of Investigation (OI). A majority were punished administratively. However, 1,762 violations of the Food Stamp Act were referred to the Department of Justice for possible prosecution: 204 indictments were obtained, 248 persons were convicted, and more than \$3,291,396 in losses were recovered. These totals include projections for a portion of fiscal year 1977.

In 1977, investigations were conducted in 53 instances involving the special feeding programs, including the school lunch program. As of this writing, nine persons have been indicted. Other investigations were still pending.

Regulatory Programs

Meat and poultry inspection and animal and plant quarantine programs are administered by the Food Safety and Quality Service and the Animal and Plant Health Inspection Service. The required inspection of expected grain is conducted by the Federal Grain Inspection Service (FGIS) or delegated States subject to FGIS supervision.

During the period, the Department concentrated upon bribery or attempted bribery of Federal and federally licensed meat, poultry, and grain inspectors. From October 1975 through September 1977, 82 persons were indicted and 30 were convicted for bribery or attempted bribery of Federal meat and poultry inspectors with other indictments still pending. Fines totaled \$215,500. Based on these convictions, USDA instituted 30 proceedings to withdraw Federal meat inspection and grading services from those convicted and the companies with which they were connected.

responsibility by selling agents, and unreasonable stockyards rates.

Most violations are handled through administrative disciplinary and rate proceedings which, during October 1975 to September 1977, numbered over 300 cases. Criminal violations of the Packers and Stockyards Act--failure to obey the Secretary's orders in administrative cases, or false reporting and recordkeeping--resulted in seven indictments (five convictions). Certain of these cases are subject to money penalties in civil actions. During the reporting period, these violations resulted in 83 complaints (\$611,210 in penalties).

As of July 11, 1977, 115 criminal cases had been referred to the United States Attorney involving violations of various milk and fruit and vegetable marketing orders. In 76 of these referrals no prosecution was recommended and to date \$850 in fines has been collected.

Cases referred to the Department of Justice during the 2 years included 4 under the Agricultural Marketing Act of 1946 for violation of its grading program; 9 for violations of the Egg Products Inspection Act with proceedings to date resulting in \$6,700 in fines; 8 under the Federal Seed Act, with action on these to date resulting in \$1,350 in fines; and 11 under the Grain Standards Act, with \$500 in fines recovered to date.

Also during fiscal years 1976 and 1977, 100 persons were indicted for crimes related to the handling of grain; 18 were convicted for bribing or attempting to bribe federally licensed export grain inspectors; the balance were convicted or pleaded guilty to other related crimes. In addition, over \$3.3 million was recovered, principally through fines. Similarly, under the Agricultural Marketing Act of 1946, after indictments by grand juries, 21 companies and 16 individuals were convicted of bribery in violation of the meat grading regulations and the act.

#### Export Programs

The Commodity Credit Corporation provides financial assistance to U.S. exporters and foreign governments on the export sales of U.S. agricultural commodities. Only one person and one firm were convicted of conspiracy to make false claims to the corporation during the 2 years and were fined \$11,500.

#### Farm Programs

A significant number of criminal violations occur each year in USDA farm programs. These involve activities of the Agricultural Stabilization and Conservation Service (ASCS) and the Commodity Credit Corporation (CCC), crop insurance programs administered by the

Federal Crop Insurance Corporation, and farm and rural housing loan programs of the Farmers Home Administration.

Most violations in these farm programs involve false claims, fraudulent applications for benefits, and unlawful disposition of crops, realty, or other property pledged as security for Government loans. From October 1975 through September 1977, 35 persons were indicted and 32 were convicted for CCC-ASCS program violations. Recoveries and fines totaled more than \$4.5 million. During the same period, FmHA law enforcement efforts resulted in 46 informations or indictments, 34 convictions, and over \$700,000 in recoveries and fines.

#### The Forest Service

The USDA Forest Service administers the vast system of national forests across the country. Hundreds of thousands of violations occur on forest lands each year: setting fires, trespassing, theft, vandalism, and unlawful hunting. The Forest Service cooperates extensively with Federal, State, and local law enforcement agencies.

The Forest Service also administers programs which are important to crime prevention efforts, such as the Job Corps and Youth Conservation Corps, and supports rehabilitation programs, including those in some special correctional facilities. The Forest Service Job Corps program

graduates approximately 8,000 young men and women each year, 92 percent of whom are successfully placed in the construction trades. State and local correctional authorities in nine States have received special permits for rehabilitation centers on national forest lands. In conjunction with the Department of the Interior and a number of States, the Forest Service was to provide an educational work experience for 35,000 youngsters as part of the summer 1977 Youth Conservation Corps effort.

#### Agricultural Research Service

During fiscal years 1975-1977, the Agricultural Research Service (ARS) spent nearly \$3.8 million in support of research in controls and substitutes for narcotic producing plants. A nonopium producing poppy has been developed in cooperation with the United Nations. Research into substitute crops (deciduous fruits, mushrooms, strawberries, lentils, etc.) has been conducted in Pakistan, Thailand, and Turkey. Research also focused on herbicides, biological controls, and taxonomic and botanical studies.

CIVIL AERONAUTICS BOARD

The Civil Aeronautics Board (CAB) is an independent agency established by the Civil Aeronautics Act of 1938 and continued by the Federal Aviation Act of August 23, 1958.

Its objective is to promote and regulate a sound air transportation system to serve the domestic and international needs of the traveling and shipping public, the United States Postal Service, and national defense. To achieve these ends, the Board is granted broad administrative, investigative, quasi-judicial, and rule-making powers.

As an integral part of its authority, the Board enforces compliance with the economic provision of the Federal Aviation Act and the regulations it promulgates. These enforcement activities, designed to prevent or terminate violations, are pursued informally and formally, before the Board itself and, with the aid of the Department of Justice, in the Federal courts.

The Board's law enforcement activities are designed to provide effective implementation of the Agency's policy objectives, particularly protecting consumers, promoting competition, and furthering U.S. international aviation interests through enforcement of the law and

mediation of grievances. The Board's Bureau of Enforcement has primary responsibility for the enforcement program and has broken down its activities into seven basic program areas: consumer matters, passenger tariff compliance, accounting and reporting, charters, cargo, agreements/antitrust, and operating rights. In each of these program areas, both formal and informal enforcement efforts are used to achieve maximum industry-wide compliance.

The rights of consumers have been of primary concern to the Board's enforcement program. The Board has obtained Federal court orders requiring charter operators to make refunds out of their assets to unaccommodated passengers. Refunds have also been obtained from the proceeds of the surety bond required by CAB regulations. The Board is seeking an injunction against a tour operator for using "bait and switch" advertisements and, in another pending case, the Board is seeking an injunction against a bank for the failure to properly handle charter passenger escrow payments. In this case, the Board is also seeking the appointment of a trustee and the recovery of passenger payments amounting to several hundred thousand dollars paid to a tour operator who subsequently went into bankruptcy. The court recently held that the passenger payments were separate from the operator's

other assets which are to be divided among the general creditors. A recent Board investigation in another case disclosed that funds amounting to \$166,000 were misapplied to a tour operator's general account instead of its escrow account. Prompt action by the Board resulted in the filing of surety bond riders and a consent injunction requiring compliance with the Board's escrow regulations. This case is an example of the Board's efforts to monitor tour operator's compliance with escrow requirements to prevent loss of passengers' monies before bankruptcy.

Besides these court cases, the Bureau took administrative action in the consumer area: to ensure the rights of nonsmokers to smoke-free areas on aircraft by requiring the offending carriers to take extra measures to ensure compliance with the Board's regulations; to require a carrier to honor claims for damage to "soft pack" baggage and to report to the Board on its disposition of previously denied claims; to prevent false and misleading advertisements by a carrier as the "on-time" airline; and to prevent false and mislead

substantial enforcement problem. Permanent consent injunctions were obtained against 19 carriers with fines totaling \$655,000 for violations in the Atlantic market. A companion action was taken on the West Coast resulting in permanent injunctions against 13 carriers with fines totaling \$126,000. A similar injunction was obtained covering the Latin American market.

Just as failure to observe tariff compliance undermines the economic regulation of air transportation, failure to maintain uniform systems of accounts cripples the Board's ability to establish equitable fare levels. In the reporting and accounting program area, the main problems involved unreported corporate political contributions and three carriers, Braniff International Airways, Aloha Airlines, Inc., and Continental Air Lines, Inc., have paid civil penalties of \$425,000, and consented to cease and desist orders. Braniff also consented to an injunction forbidding such payments and requiring correction of its financial reports. Other actions presently pending involve questionable overseas payments by two U.S. carriers and misclassification of legal political contributions as an operating expense and aircraft lease arrangement as operating equipment.

The Board also monitored the injunction obtained in 1975 against certain charter tour operators and as a

result, four corporations and four individuals were found guilty of criminal contempt for failing to comply with the injunction. They were fined a total of \$74,000. The Board also obtained injunctions against four Los Angeles area travel agencies for violating the Board's charter regulations.

In cargo operations, the Board sought compliance by carriers and air freight forwarders with their tariffs. An affirmative action program for air freight forwarders to prevent future tariff violations has been included in consent injunctions and cease and desist orders agreed to by several freight forwarders. The Board has also obtained injunctions against U.S. and foreign carriers prohibiting them from violating their tariffs.

In the antitrust area, the main concern has been unlawful control of tour operators and travel agents, and attempts to control particular vacation markets.

Finally, in order to effectively regulate air transportation, all air carriers subject to CAB jurisdiction must obtain the required authority to operate. In this regard, the Board obtained eight injunctions against unauthorized operators.

From October 1975 through September 1977, the Board obtained a total of 25 injunctions against 74 defendants, issued 47 cease and desist orders against 73 respondents,

and collected approximately \$1.2 million in civil penalties and court imposed fines. There also were 13 criminal contempt cases for failure to comply with court injunctions obtained by the Board and 22 Board subpoenas enforced by the courts involving 24 defendants.

CIVIL SERVICE COMMISSION

The United States Civil Service Commission supports and assists programs concerning the selection, assignment, and training of law enforcement personnel.

The Commission's Personnel Research and Development Center provided technical assistance to the Washington, D.C., Police Department in the development of a new entry-level examination for patrolmen. This included extensive job analysis and appropriate test validation research. The center also provided extensive technical assistance to the New York State Police in developing innovative written and physical performance examinations for State troopers based on the Commission's job element method.

In June 1975 the Commission concurred in a proposal establishing the date immediately preceding an individual's 35th birthday as the maximum entry age for original appointment to certain law enforcement officer positions.

The Commission's Bureau of Recruiting and Examining developed a rating procedure to match the knowledge, skills, and abilities of job applicants, to the requirements of correctional officer positions. The Atlanta region provided technical assistance to the Georgia Police Officers Standards and Training Council, while the Dallas Regional Training Center provides ongoing consultant services to the Dallas Police Department. All of the

Commission's regional and central office training centers make a wide variety of courses available for Federal, State, and local government employees, including those who work in law enforcement and criminal justice.

The Commission's Bureau of Training has established a Legal Education Institute to promote better administration and civil enforcement of Federal enabling and procedural statutes. The institute trains new government attorneys, attorney-managers, general counsels, administrative law judges, and paralegals. The Bureau also works closely with the Federal Law Enforcement Training Center and is leading the effort to encourage agencies to adopt minimum standards for the training of police and guards in the Federal Government.

The Bureau of Intergovernmental Programs grants funds and provides technical assistance to a number of State and local governments for validation projects. Typical of grant supported activity was a 1976 project involving all four counties within Hawaii to establish appropriate selection standards for entry-level police officers fair to all races and sexes which comply with Federal guidelines. Another project in Flint, Michigan, set up a model assessment center for the selection of police command officers for the city.

Several mobility assignments--the temporary assignment of a State or local law enforcement official to a Federal agency or vice versa--have been arranged during the last 2 years. A lieutenant from the California Highway Patrol is on assignment to the National Highway Traffic Safety Administration working on the enforcement of the National Maximum Speed Limit (55 mph). An official from the Department of Justice's Drug Enforcement Administration began an assignment with Georgia where he serves as Director of Program Planning and Development for the Joint Legislative Committee on "Stop Drugs at the Source."

A Dallas police officer has just completed a 1-year assignment as a Civil Rights Compliance Specialist with the Office of Civil Rights Compliance in the Law Enforcement Assistance Administration. During her assignment she conducted compliance reviews of criminal justice agencies eligible for LEAA funding and provided background information on police agency operations.



DEPARTMENT OF COMMERCE

The Department of Commerce provides technical, statistical, and other support to the Nation's law enforcement and criminal justice system through its Bureau of the Census, National Bureau of Standards, Office of Telecommunications, and National Fire Prevention and Control Administration. It also enforces specific laws, treaties, and regulations in marine fisheries, wildlife protection, and export administration. This latter work is carried out by the National Oceanic and Atmospheric Administration and the Domestic and International Business Administration, respectively.

Bureau of the Census

The Bureau of the Census, under agreement with the Law Enforcement Assistance Administration (LEAA) and others, conducts surveys and censuses on a number of subjects related to the criminal justice system. They include the National Crime Panel which obtains information on the nature of crime and its impact on society through surveys of households and commercial establishments. The Criminal Justice Expenditure and Employment Survey shows annual public expenditures and employment data for certain criminal justice activities at the State and local level. The Bureau also conducts an annual National Juvenile

Detention and Correctional Facilities Census; a National Prisoner Statistics Program, a series of periodic surveys that provide data on Federal and State prisoners; the National Jail Census and Survey of Inmates of Local Jails (to be done in fiscal year 1978); and a National Survey of Court Organization. In addition, the Bureau continued to update its 1970 Criminal Justice Directory Survey.

Bureau expenditures for criminal justice activities were \$11 million in fiscal year 1976 and the transition quarter, and \$10 million in fiscal year 1977.

#### National Bureau of Standards

The National Bureau of Standards, through its Law Enforcement Standards Laboratory, assists enforcement and criminal justice agencies in selecting superior equipment. It serves as a national and international center on equipment performance. The laboratory was established by agreement with LEAA in 1971, and the major part of its work is funded by that agency; it is also funded by the Defense Nuclear Agency and the National Highway Traffic Safety Administration.

The laboratory completed performance standards for burglar alarm sensors and for the physical security of single-leaf swinging doors, sliding glass doors, and windows. It reported on the image quality and spectral responsivity of television cameras, issued a directory of

security consultants and a catalog of security equipment, and developed guides to police photographic equipment and intrusion alarm systems for commercial establishments.

The laboratory completed standards for police station communications receivers, antennas and repeaters, portable receivers and transceivers, body-worn transmitters, mobile digital communications equipment, and voice scramblers for law enforcement agency use.

Standards were developed for sirens and for warning lights for emergency vehicles. The life cycle costs of police patrol cars and the hazards involved in the high-speed police use of consumer-grade tires were studied. A novel dual-mode electronic siren was developed and tested, and a guide to warning lights and sirens was drafted.

The laboratory developed standards for evidential breath alcohol testers, screening breath alcohol testers for roadside use, calibrating units for breath alcohol testers, and chemical spot test kits for the preliminary identification of drugs of abuse. Also developed or reported on were a trace vapor generator for testing explosives vapor detectors, the hazards of benzidine to criminal justice personnel, the forensic characterization of auto headlight glass by refractive index and density and by its visible features, and gunshot residue detection by neutron activation analysis. Standard reference

materials such as "Collections of 1975 and 1976 Auto Paints," and "Refractive Index Silicone Liquids" were prepared for use by forensic science laboratories.

Finally, the laboratory reported on such diverse matters as its anthropometric survey of law enforcement officers, the reduction of the airborne lead hazard on firing ranges through the use of modified ammunition, psychological deterrents to nuclear theft, security lighting for nuclear weapons storage sites, and the application of behavioral science to the problems of physical security.

The laboratory completed more than 60 projects during fiscal years 1976-1977. It has some 45 projects still under way, nearly all of which will be finished before the end of fiscal year 1978. Expenditures run at about \$1 million per year.

#### Office of Telecommunications

The Office of Telecommunications runs the Federal Government's only central information center on the "911" emergency telephone number concept. The center received about 80 requests for information in each of the past 2 years from State and local governments, telephone companies, civic groups, and others.

National Fire Prevention and Control Administration  
(NFPCA)

The National Fire Prevention and Control Administration is in the final phase of developing a training program on the detection and investigation of arson, to be available for general use in April 1978. The administration also is developing a model arson law for adoption by State and local jurisdictions and a concept for the use of a task force approach to arson investigation.

Enforcement

National Oceanic and Atmospheric Administration  
(NOAA)

The National Oceanic and Atmospheric Administration enforces various marine fisheries and wildlife laws, international agreements, treaties, and regulations. This work is carried out by NOAA's National Marine Fisheries Service (NMFS), the only agency of the Department that presently has its own arrest authority, and by the Office of Coastal Zone Management, which imposes administrative fines for unlawful activities in designated marine sanctuaries.

The NMFS enforces the provisions of the Marine Mammal Protection Act of 1972, which prohibits the taking and importation of marine mammals and any products made from marine mammals. In addition, the NMFS enforces the

provisions of the Endangered Species Act of 1973 with respect to marine species of endangered fish and wildlife.

The Service develops and enforces fisheries regulations under the Fishery Conservation and Management Act of 1976, as well as various international agreements. In cooperation with the Coast Guard, it enforces observance by foreign fleets of the Nation's fisheries conservation and management regulations, the contiguous fisheries zone, and territorial waters. Increasingly, the Service and the Coast Guard also enforce fisheries conservation and management laws applicable to the U.S. fleet. It provides intelligence on fishing off our coasts as required for enforcement and for development of fishery management plans.

Domestic and International Business Administration  
(DIBA)

The Domestic and International Business Administration (DIBA), through its Office of Export Administration, enforces the Export Administration Act of 1969. The Office investigates actual and alleged violations of the act and refers cases meriting administrative or criminal proceedings to the Department of Commerce's general counsel or the Department of Justice. It may also issue an order which would deny future export privileges and/or impose civil penalties as prescribed.

The Office of Industrial Mobilization, DIBA, is responsible for administration of the priorities and allocations provisions of the Defense Production Act of 1950 and for compliance and enforcement of those provisions. One investigation of a willful violation of the Defense Materials System is currently in process. There have been no other reported violations since October 1975.



COMMUNITY SERVICES ADMINISTRATION

The Community Services Administration is the central agency within the Federal Government for developing, testing, and operating various programs to eliminate poverty in the United States.

There are six basic programs within the agency: Community Action, Community Economic Development, Energy and Weatherization, Senior Opportunities and Services for the Elderly, Community Food and Nutrition, and State Economic Opportunity Offices.

During the time period from October 1975 to September 1977, the Community Services Administration made a single grant which deals with crime and its consequences when it awarded a grant of \$200,000 for a 12-month period to a New York community action agency that is implementing a model designed for providing services that will best serve the ex-offender.

This program coordinates all resources currently available through the service agencies in the area. A plan is prepared for each client to respond to the individual needs in order to facilitate a successful reintegration into society. The first phase of this plan begins by working with the inmate participator prior to release. Based on the anticipated salutary

results, this demonstration model may be replicated throughout the Nation.

DEPARTMENT OF DEFENSE

Upon the request of civil authorities and with advance agreement, the Department of Defense aids Federal, State, and local authorities in various ways. The Department thus contributes to domestic law enforcement. The forms of assistance provided are summarized below.

Assistance During Civil Disturbances

In July, 1976, and again in January, 1977, the Army developed contingency plans to assist the Washington Metropolitan Police Department during the bicentennial celebrations and the Presidential inauguration. Actual use of military forces was not required. Approximately 2,000 Federal troops were alerted for deployment to the Washington metropolitan area to provide a contingency reserve to civil law enforcement agencies.

Sale and Loan of Military Resources to Civil Authorities

DOD is authorized to sell or loan military resources to other Federal agencies. During 1976-1977 it loaned helicopters to the FBI during the bicentennial celebrations and protective vests to the Law Enforcement Assistance Administration for the Republican national convention in Kansas City.

### Civil Disturbance Orientation Course

The Army terminated in 1976 a Civil Disturbance Orientation Course for senior military officers, law enforcement officials, and key civilian leaders. Under the program, 3,394 persons attended the 1-week course.

### Support to the FBI in Combating Terrorism

The Army also provides support to the FBI in combating terrorism. During the Hanafi Muslim siege in Washington the FBI requested and was loaned two helicopters as well as other military equipment.

### Anticrime Assistance to the District of Columbia

The Army loaned two OH6A helicopters to the D.C. Metropolitan Police Department in 1977 for a 6-month feasibility study program.

### Explosive Ordnance Disposal Training and Support

Explosive ordnance disposal support is also provided to Federal agencies and civil authorities. This support includes training conducted by the Army of law enforcement personnel in explosive ordnance reconnaissance and procedures for dealing with improvised explosive devices. In addition, assistance is provided with explosive ordnance when such assistance is required for the public safety. The Army, under an FBI contract, operates the National Bomb Data Center which processes technical data

on improvised explosive devices and distributes this data to civil law enforcement agencies as well as to the armed forces.

Provision of Army Explosive Detector Dog Team Assistance to Civil Authorities

Explosive detector dog teams, adopted for use in the Military Police Working Dog Program in 1976, are provided to Federal agencies and civil authorities, upon request, in the interest of public safety. Teams recently were provided to aid civilian police of Washington and Colorado Springs in bomb searches conducted in those cities.

Interdicting Illegal Imports

Support and assistance are provided to the U.S. Customs Service, the Immigration and Naturalization Service, the Bureau of Alcohol, Tobacco and Firearms, and the Drug Enforcement Assistance Administration in interdicting illegal imports. Aircraft, vehicles, communications equipment, electronic devices, radar equipment, sensors, weapons, ammunition, and night vision devices have been loaned to these agencies and technical training conducted in the operation of the more sophisticated equipment. From time to time excess military equipment is transferred to these agencies. Procurement assistance also is provided when required. In addition, military personnel serve as customs inspectors of military mail,

cargo, carriers, and personnel to interdict the flow of contraband, principally drugs, into the United States through military channels.

#### Drug Abuse by Military Personnel

Drug abuse continues to be a military as well as a civilian problem. Military authorities work to curb in-service abuse, inhibit incipient drug habits, and rehabilitate drug offenders through a multifaceted program that includes education, identification, and treatment.

In addition to conventional criminal investigation procedures, drug abusers in the military are identified by voluntary entry into treatment programs, involuntary random biochemical testing, commander/supervisor referrals, and medical referrals. Those who are identified as abusers by urinalysis are given medical treatment and exempted from disciplinary action.

#### Protection of Federal Witnesses on Active Army Installations

By agreement between the Department of Justice and the Department of Defense, the Army periodically houses on military installations key Federal Government witnesses and their families who need protection from threats on their lives.

### Defense Industrial Facilities Protection

The Department of Defense provides protection for certain private industries and utilities considered vital to the national defense. This program safeguards 3,500 facilities and 250 company or system offices against bombings, sabotage, civil disturbances, and other hostile or destructive acts. The proffered assistance may be accepted or rejected by industry management. The Defense Logistics Agency assumed responsibility for this function from the Department of the Army in 1973. This function was consolidated with the old Industrial Security Program and the two were redesignated as the Defense Industrial Facilities Protection Program.

### Civilian Criminal Investigations

The Defense Investigative Service covers suspected criminal activities within the Department of Defense. In addition, since 1975, DIS has initiated approximately 200 criminal investigations for the Defense Logistics Agency in the United States. These activities included investigation of procurement fraud of meat products for the military services. Other investigations involved cases of alleged fraud by suppliers of other subsistence products. These investigations are closely coordinated with the Department of Justice.



## ENVIRONMENTAL PROTECTION AGENCY

The unlawful discharge of pollutants into the navigable waters of the United States, violations of State plans and emission standards for combating air pollution, and the shipment in interstate commerce and use of pesticides all fall within the jurisdiction of the Environmental Protection Agency.

The Agency relies principally on administrative and civil sanctions and on voluntary compliance. Its rulings are backed in a number of instances by the sanction of criminal law.

### Background

The Environmental Protection Agency was established as an independent agency in the executive branch effective December 3, 1970. The greater part of its activities are devoted to implementation of the Clean Air Act, the Federal Water Pollution Control Act, and the Federal Insecticide, Fungicide, and Rodenticide Act.

### Enforcement Activities

The assistant administrator for enforcement is the Agency's principal advisor to the administrator on enforcing standards for environmental quality.

Office of Water Enforcement. The Office of Water Enforcement directs the water pollution and water hygiene

enforcement activities of the Agency.

Office of General Enforcement. The Office of General Enforcement directs Agency enforcement activities in the stationary source air, pesticides, toxic substances, and solid waste program areas.

Office of Mobile Source and Noise Enforcement. The Office of Mobile Source and Noise Enforcement directs mobile source air and noise pollution enforcement efforts of the Agency.

Office of General Counsel. The Office of General Counsel is directly responsible to the administrator and provides legal services to all organizational elements of the Agency with respect to the programs and activities of the Agency.

## Water

Federal Water Pollution Control Act. The Federal Water Pollution Control Act makes it unlawful to discharge pollutants from point sources into navigable waters unless the discharge is in compliance with the regulatory requirements of the act, including the obligation to have a discharge permit. EPA can issue administrative orders

or negligent violations. Civil and criminal penalties also may be imposed for violations of provisions of the act primarily directed at spills of oil and hazardous materials.

During the first 9 months of 1976, 653 administrative orders and 91 Notices of Violation were issued with 83 cases referred to the Justice Department for civil or criminal action. There were 734 oil spills in which actions were taken by the Government, including nine referred to U.S. attorneys.

#### Air

Clean Air Act. Under the Clean Air Act, it is a criminal offense to knowingly violate any requirement of an applicable State implementation plan after having been ordered by the State planning agency to comply with it. It also is a criminal offense to knowingly violate any EPA standard for a new stationary source or for hazardous pollutants.

From January through September 1976, 433 Notices of Violation were issued against stationary source violators; 270 administrative orders were issued and 16 actions were referred to U.S. attorneys. Mobile source violations included eight violations referred to U.S. attorneys, while almost \$1 million in civil penalties were assessed.

### Pesticides

Under the Federal Insecticide, Fungicide, and Rodenticide Act, it is unlawful to distribute in interstate commerce a pesticide that has not been registered with EPA or one that is adulterated or misbranded. Use of a pesticide in a manner inconsistent with its prescribed label also is prohibited. Violations of the act's requirements may result in civil penalties of as much as \$5,000. Knowing violations are misdemeanors punishable by fines of up to \$25,000, 1-year imprisonment, or both.

EPA may cancel a pesticide registration when the label of the product, if complied with, is inadequate to prevent "unreasonable adverse effects on the environment."

During the first 9 months of 1976, 263 civil actions were initiated, and \$379,767 in penalties or fines were assessed.

## FEDERAL COMMUNICATIONS COMMISSION

The Federal Communications Commission is an independent agency created by Congress to regulate non-Federal, interstate, and foreign communications by wire and radio. It is charged with enforcement of the Communications Act of 1934, the Communications Satellite Act of 1962, and rules and regulations it has issued.

This regulation includes the allocation of frequency space in the radio spectrum, a limited natural resource, for use by safety and special radio services (such as aviation, marine, public safety, industrial, amateur, and citizens band), common carrier services (such as mobile telephone, international telegraph-telephone, and satellite communications), and broadcast services (such as AM and FM radio, and UHF and VHF television).

Additionally, millions of low-powered radio frequency devices are regulated, although not individually licensed. Examples of such devices are diathermy machines, microwave ovens, garage door openers, wireless microphones, and walkie-talkies.

### Enforcement

Enforcement of interstate and foreign common carrier wire and radio communications rules is achieved

chiefly through civil administrative proceedings. These include adjudicatory hearings, cease and desist orders, and monetary forfeitures. Commission investigations of alleged or suspected offenses are conducted principally by the Field Operations Bureau and the Complaints and Compliance Division of the Broadcast Bureau.

Major violations of the Communications Act or of the Commission's rules where the authorized administrative sanctions are inadequate may be referred to the Department of Justice.

Moreover, the evidence may indicate violations of the U.S. Criminal Code, such as use of a counterfeit radio station license or violations specifically related to the misuse of radio broadcasting lottery information; fraud by wire or radio; and broadcasting obscene, indecent, or profane language.

In fiscal 1976, 51 cases involving unlicensed operations, rules violation, or radio transmissions containing obscenity were forwarded to the Department of Justice for prosecution.

During fiscal year 1976 and fiscal year 1977, the

and use different types of identifiers instead of call signs in order to avoid detection. Such out-of-band, unlicensed activity causes interference to communications of licensees in other services and Government agencies. This enforcement effort resulted in revocation of licenses of a number of these club members.

Field Operations Bureau personnel also investigate violations of equipment marketing laws, and appear as expert witnesses in cases involving radio communications. Fiscal year 1977 saw the first criminal prosecution and conviction of an individual for the manufacture and sale of linear amplifiers for use with citizens band radios. Linear amplifiers increase the power output of a CB set to as much as 2,000 watts while FCC regulations limit CB power to either 4 or 12 watts, depending on the equipment used. Use of such overpowered equipment was responsible for numerous complaints of CB interference to private telephone and home entertainment devices during the current fiscal year. It also results in potential interference to users of public safety radio systems.

Licensees in the Citizens Band Radio Service numbered 12 million at the end of fiscal year 1977, an increase of more than 100 percent from the end of fiscal year 1976. This produced concomitant increases in all types of criminal, civil, and administrative sanctions.

Those regulatory functions most relevant to criminal law enforcement are the licensing of radio stations operated by State and local law enforcement agencies, allocation of radio frequencies for such services, and authorization of the equipment they use.

#### Police Radio Communications

The Police Radio Service is among the more than 40 different types of radio communications services regulated by the Commission through its Safety and Special Radio Services Bureau. Stations in the Police Radio Service are used for two-way radio communications between central headquarters to squad cars, motorcycle and scooter units, and foot patrols. Currently, there are approximately 36,000 police radio stations in operation, an increase of 28.5 percent since fiscal year 1975, demonstrating a continued demand for Police Radio Service frequencies.

The Commission has responded to these needs by allocating additional frequencies in the 470-512 MHz band for public safety use. A continuing effort to provide more frequencies for mobile radio has resulted in expanded use of UHF television channels for public safety in and around some of the Nation's largest cities. Additional frequencies have also been provided in the 806-852 MHz band for public safety use.

More than 50 million mobile citizens band radios are expected to be in use on the Nation's highways by 1980. The Commission recognizes the assistance these licensees can be in reporting drunken drivers, accidents, hazardous conditions, and stranded motorists, and has begun assigning distinctive CB call signs, where available, to State police departments. The distinctive CB call sign consists of the letter K plus the two postal initials of the State, followed by 0911. Nine States and the District of Columbia have requested the distinctive call signs to date.

#### General Law Enforcement Communications

The Commission has proposed or completed a number of actions since fiscal year 1975 relating to general law enforcement needs in the communications field. Some of the key actions are:

Intersystem communications. One of the communications problems facing police for years has been the inability to communicate from one police jurisdiction to another. In fiscal year 1976, the Commission instituted a nationwide intersystem police emergency frequency.

Assistance to license applicants. The Commission made personnel available to advise police representatives of regulatory requirements to aid in

communications system planning. Commission personnel also assist in preparing license applications.

#### Liaison with LEAA

The Commission maintains liaison with the Law Enforcement Assistance Administration through the Coordination Committee, which distributes information between the two agencies to assure that LEAA communications projects are in accordance with FCC regulations prior to the expenditure of public funds. This liaison also provides the FCC staff with information on LEAA's communications plans and requirements to better coordinate and accommodate the law enforcement communications needs.

#### Investigative Functions

To preserve the utility and integrity of all radio communications, including critical police messages, the Commission's Field Operations Bureau investigates and attempts to eliminate all sources of interference, both inadvertent and intentional. Moreover, upon request of the Department of Justice, field engineers assist in locating, through radio direction finding techniques, persons using radio to commit crimes.

In cooperation with the FBI, Commission field personnel investigate allegations of unauthorized interception and divulgence or illicit use of law enforcement radio communications.

FEDERAL DEPOSIT INSURANCE CORPORATION

The Federal Deposit Insurance Corporation (FDIC) was created by the Banking Act of 1933 to protect depositors in the Nation's banks, to help maintain confidence in the banking system, to promote safe banking practices, and to enforce compliance with applicable laws. FDIC accomplishes these objectives through the Federal deposit insurance program in which approximately 14,740 of the Nation's banks participate, and through the regulation and supervision, at the Federal level, of approximately 8,980 FDIC-insured State banks which are not members of the Federal Reserve System.

FDIC is managed by a three-man board of directors: a chairman, director, and the Comptroller of the Currency who serves ex officio as a member. The chairman is one of two members appointed directly to the board by the President, with Senate approval, for 6-year terms. He is elected chairman by the board. The Comptroller, also appointed by the President and approved by the Senate, serves 5 years. FDIC conducts bank examinations through its 14 regional offices.

FDIC exercises general supervisory authority only over insured State banks which are not members of the Federal Reserve System. Together with the

State banking departments which charter them, the FDIC regularly examines these banks. It also investigates applications for Federal deposit insurance, mergers, establishment of branches, and other actions which require prior approval of the FDIC.

Each year the FDIC examines more than 8,000 banks. It determines the condition of banks, evaluates bank management, and attempts to correct unsound banking practices and violations of laws and regulations.

#### Criminal Violations

Alleged criminal violations, when uncovered during investigations and examinations, or disclosed to FDIC by insured banks, are referred to the appropriate U.S. attorney. FDIC reported 1,498 possible criminal violations in 1975, and 1,626 in 1976. Reported offenses included teller and vault cash shortages, misapplication and embezzlement of bank funds, check "kiting," financial statements which were falsified in order to obtain loans, false entries on bank records, and commissions or gifts that were given to obtain loans.

#### Security Measures

Banks are examined to assure they have adequate internal controls to prevent or deter embezzlement, fraud, and other criminal activities perpetrated by bank employees or by outside agents.

Under the Bank Protection Act of 1968, the FDIC has issued regulations governing the installation, maintenance, and operation of bank security devices to discourage robberies, burglaries, and larcenies, and to assist in the apprehension of persons committing these acts. In 1973, the regulations were amended to cover cash dispensing and receiving machines, while those covering safe deposit box storage and the construction of bank vaults were strengthened. Compliance with these regulations is checked when applications for insurance are reviewed or when regular examinations are conducted. During 1976, the FDIC received 934 crime reports filed pursuant to its regulations.

#### Removal Proceedings

In addition to referring possible criminal violations to the appropriate U.S. attorneys, the FDIC also can remove an officer, director, or other person participating in the management of an insured State non-member bank if it determines that the person has violated a law, rule, regulation, or final cease and desist order, has engaged in unsafe or unsound banking practices, or has breached his fiduciary duty. The act must involve personal dishonesty and entail substantial financial damage to the bank, or seriously prejudice the interests of the bank's depositors. The

FDIC may also summarily suspend such a person pending the outcome of the removal proceedings in order to protect the bank and its depositors.

A summary suspension of an officer of a bank was challenged in a United States district court in 1975. This challenge was withdrawn in 1976 and the officer was removed by the FDIC after an administrative hearing. During 1976, no removal proceedings were initiated.

## FEDERAL ENERGY ADMINISTRATION

The period since publication of the last Attorney General's Report on Federal Law Enforcement has been one of transition for the Federal Energy Administration (FEA). Initially conceived as a temporary agency, FEA's life span was extended 18 months, through December 31, 1977. During the summer and early fall of 1977, FEA prepared for the integration of its functions into a new cabinet-level Department of Energy.

### Compliance and Enforcement

FEA has regulatory and information-gathering authority over a number of energy conservation programs such as the coal conversion provisions of the Energy Supply and Environmental Coordination Act of 1974 and the strategic petroleum reserve provisions of the Energy Policy and Conservation Act. Implementation of these relatively new statutes is a lengthy process, and no significant enforcement programs have yet developed under them. Thus, FEA's primary law enforcement functions continue to be those created by the oil allocation and price control measures contained in the Emergency Petroleum Allocation Act of 1973 (EPAA). The EPAA requires FEA, under authority delegated by the President, to regulate the distribution and price of crude

oil and refined petroleum products produced in or imported into the United States.

Significant congressionally mandated changes in the scope and content of EPAA authority, and corresponding changes in the nature of FEA's enforcement function took place in the October 1975-September 1977 period. Perhaps the most significant change in the regulation of oil price and allocation controls has been the decontrol of several major categories of refined petroleum products, including residual fuel oil, middle distillates and naphthas, amounting to about one-half of national consumption of petroleum by volume. While there remain significant cleanup problems relating to past sales and distribution of these products, decontrol has enabled FEA to concentrate its enforcement efforts upon crude oil producers and refiners and resellers of motor gasoline and propane.

While decontrol has eliminated much regulation, FEA also has attempted to simplify the remaining ones as much as possible. An extensive program of internal training, including publication of a comprehensive compliance manual in late 1975, has promoted consistent application of FEA regulations by agency personnel. (Substantial portions of the compliance manual and many other agency guidelines have been released to the public

and have helped industry and consumer groups understand FEA procedures.) Guides from FEA also have assisted small businessmen to comply with FEA regulations.

Producers, refiners, and resellers determine maximum permissible prices based on formulas under FEA's regulatory scheme. FEA's compliance personnel audit these pricing and allocation actions, and during directed investigations, examine required records and forms maintained or filed by each company subject to agency jurisdiction. Since October 1975, FEA has continued efforts to fit these audit functions from short-term crisis management to a longer-range, more permanent control system. Quarterly workplans were developed for each of FEA's 10 regions. Extraordinary or otherwise potentially significant inquiries have been separated from routine audit functions. Computer case-tracking technology and computer-stored data have been expanded and decentralized. Systematic targeting to identify potential violators has been instituted and expanded.

After the long-term extension of the FEA in August 1976 and the announcement of the contemplated creation of a Department of Energy, FEA's Office of Compliance has expanded considerably. By July 1977, headquarters staff had reached about 160 and regional personnel totaled almost 1,100. FEA's Office of General Counsel,

which has a compliance division colocated with the Office of Compliance to provide legal support, has also expanded since the last report, and numbered approximately 20 as of July 1977.

FEDERAL HOME LOAN BANK BOARD

The Federal Home Loan Bank Board is responsible for the organization, supervision, and regulation of Federal savings and loan associations under authority of the Home Owners' Loan Act of 1933. The Board is the operating head of the Federal Savings and Loan Insurance Corporation (FSLIC). Under the National Housing Act, it has broad supervisory and regulatory authority over FSLIC insured State-chartered associations and their parent holding companies and affiliates. In addition, the Board administers a system of 12 regional Federal Home Loan Banks created pursuant to the Federal Home Loan Bank Act.

In fulfilling its primary role pursuant to the acts, the Board is engaged continuously in examining 4,141 savings and loan associations.

The Board considers the examination process the first step in preventing violations of statutes or regulations, and for eliminating unsafe and unsound industry practices. The Board can issue cease and desist orders against associations, suspend and remove officers and directors from further participation in associations' affairs, and terminate insurance of accounts. Cases of possible criminal activities--

embezzlements, misapplications of assets, and falsifications of documents and records--are referred to the Department of Justice.

### Examinations and Supervision

The Board's Office of Examinations and Supervision evaluates the quality of management and performance of savings and loan associations and investigates their objectives, policies, procedures, and internal controls. It checks an association's compliance with Federal and State laws and regulations, and with the institution's own charter and by-laws. The examination process is designed to pinpoint probable trouble areas where general standards of conduct and uniform requirements can be enforced promptly.

As of September 30, 1977, the Board had an authorized strength of 737 field examiners, as contrasted with 696 examiners on October 1, 1975. Field office expenses were about \$23 million in fiscal 1977 and \$20,237,578 for the 12-month period ended September 30, 1976.

There were about 1,857 examinations of federally chartered associations in fiscal 1977 and 1,948 such examinations in the 12-month period ended September 30, 1976. During these same periods, examinations of

insured State-chartered institutions totaled 1,299 and 1,322 respectively.

The Board also determines the eligibility of State-chartered institutions for insurance of accounts. It conducted 36 examinations of this type in fiscal 1977 and 16 in the 12-month period ended September 30, 1976. Examinations of affiliates of insured institutions totaled 1,672 and 1,253 respectively, while examination fees paid to the Board, including fees for eligibility and affiliate examinations, amounted to \$15,518,246 and \$11,712,328 respectively.

For the most part, supervisory agents oversee operations in each of the 12 regional Federal Home Loan Banks. They use the data contained in the periodic reports filed by the institutions, as well as that in the reports of the Office of Examinations and Supervision. The supervisory agents draw the management's attention to any violations of laws or regulations and to any unsafe or unsound industry practices in order that they may be eliminated.

#### Enforcement

Designated representatives of the FSLIC may, in connection with examinations of insured institutions, inquire into any matter which concerns the affairs or ownership of any such institution or affiliate. The

FSLIC can subpoena witnesses and documents, and take testimony under oath. When lack of compliance with the appropriate statutes and regulations is demonstrated, when safe and sound industry practices are not maintained, and all relevant information cannot be obtained by using ordinary examining techniques and supervision, formal examinations are conducted by the Office of General Counsel. Equipped with the evidence of these investigations, the Board may institute administrative cease and desist proceedings. It may commence termination of insurance proceedings against associations or removal proceedings against individual officers and directors. The FSLIC can, as it deems necessary, investigate savings and loan holding companies and their affiliates to determine whether the Savings and Loan Holding Company Act and other regulations are being complied with. Criminal sanctions may be imposed for violations.

From July 1, 1975 to June 30, 1976, the Board's compliance division, with 15 attorneys, conducted 51 formal examinations; from July 1, 1976 to June 30, 1977, 12 attorneys handled 87 formal examinations.

. Cease and desist orders issued by the Board totaled 14 in the 1975-76 period and 7 in the 1976-77 period; suspensions, removals, and prohibitions totaled, respectively, 4 and 2 during the same periods. One

hundred and fifteen criminal referrals were sent to the Department of Justice in the 1976-77 period. Approximately 87 percent of these referrals involved small shortages of funds; 15 involved possible violations by officers and directors of insured institutions.



FEDERAL MARITIME COMMISSION

The Federal Maritime Commission regulates the foreign waterborne and domestic offshore commerce of the United States. It was established in 1961.

The Commission accepts or rejects tariff filings by carriers engaged in foreign commerce, regulates the rates and fares of common carriers engaged in domestic trades, and investigates discriminatory rates, classifications, and practices in domestic offshore and foreign commerce. The Commission enforces statutes against the falsification of or the failure to submit required reports and the requirements for filing of anticompetitive and other agreements among common carriers by water, terminal operators, and independent freight forwarders. It ensures that owners and operators of passenger vessels assume financial responsibility for the indemnification of passengers in case of injury or death, and for return of fares in the event of cancellation of voyages and cruises. The Federal Maritime Commission also renders decisions, issues orders, and promulgates rules and regulations which govern common carriers by water, terminal operators, freight forwarders, and any persons subject to the shipping statutes.

The Commission cooperates with the Department of Justice to prosecute both criminal and civil penalty offenses under the shipping statutes. Commencing October 1975, the Commission initiated a major enforcement program using both volunteer and compulsory disclosures to eliminate illegal rebating in the foreign waterborne commerce of the United States. The Commission reactivated its Bureau of Enforcement on May 17, 1976. Prior to that date, investigative functions were administered by other components of the agency. The Bureau consists of 45 employees in Washington and 6 field offices in major port areas. As of July 1, 1977, the Bureau was investigating 740 cases with approximately 200 of these involving the possible payment or receipt of rebates prohibited by the Shipping Act, 1916.

Since October 1975 the Commission, utilizing the authority to compromise granted in 1972, has entered into settlements calling for approximately \$4.2 million in civil penalties. Additional claims in excess of \$379,000 are the subject of pending negotiations. Seven cases where compromise was considered inappropriate or where criminal provisions were involved were referred to the Department of Justice since October 1975. The courts levied penalties of approximately \$250,000 against violators of the Shipping Act of 1916 during the period.

Other areas of Commission enforcement activity include cooperation with the United States Customs Service and the United States Coast Guard to assure the existence of valid Certificates of Financial Responsibility on vessels operating in United States water. A similar program is maintained in cooperation with the Panama Canal Company. Under these programs 123 vessels have been either detained in U.S. ports or denied entry into U.S. waters. The certificates provide the evidence of financial responsibility for certain costs created by oil spills from vessels. As of July 14, 1977, 25,172 vessels maintained valid certificates.

Passenger vessels are required to carry Performance and Casualty Certificates. At present 206 such certificates are outstanding.



FEDERAL POWER COMMISSION

The Federal Power Commission administers the Federal Power Act and the Natural Gas Act. It issues permits and licenses for non-Federal hydroelectric power projects and regulates rates and other aspects of interstate wholesale transactions in electric power and natural gas. It issues certificates authorizing interstate sale of natural gas, and the construction and operation of interstate pipeline facilities. All regulated companies, except natural gas producers, must comply with a prescribed uniform accounting system and undergo regular audits. The Commission also oversees the securities, mergers, consolidations, acquisitions, and accounts of the electric utilities subject to its jurisdiction.

In the event of an alleged violation of the Federal Power or Natural Gas Act, or of its own regulations, the Commission is authorized to take remedial administrative action but has found no need to create a special bureau or office to deal with these violations. Instead, enforcement of the enabling acts and the Commission's regulations is handled as part of regular FPC duties. To assist the Commission in discharging this responsibility during the current reporting period, the Office of the

General Counsel requested and received technical assistance from the Federal Bureau of Investigation and trial advocacy training from the Attorney General's Advocacy Institute, the Civil Division of the Department of Justice, and the Civil Section of the United States Attorneys Office.

The Commission can effect compliance with the acts and regulations through administrative or judicial means and also can refer a matter to the Attorney General for possible criminal prosecution or civil forfeiture. During the current reporting period, the Commission has referred several matters to the Attorney General for appropriate action.

Other effective administrative means of enforcement are investigations initiated by the Commission or by a complaint from outside the agency. Since fiscal year 1972, the Commission has begun many investigations (25 during the current reporting period) and complaints, several of which involved possible criminal sanctions. For example, an investigation into the failure of a licensed hydroelectric dam resulted in a money forfeiture assessed against the licensee and numerous changes in all aspects of hydroelectric development licensed by the Commission.

## FEDERAL RESERVE SYSTEM

One of the purposes underlying the establishment of the Federal Reserve System by Congress in 1913 was to establish a more efficient supervision of banking in the United States. To that end, the Federal Reserve System is one of several governmental bodies regulating the structure and operations of the United States banking system and certain related activities.

### Background

The Board of Governors of the Federal Reserve System places primary responsibility for the enforcement of Federal criminal laws with its Division of Banking Supervision and Regulation, its Division of Consumer Affairs, and Legal Division. The 12 regional Federal Reserve Banks, pursuant to authority delegated by the Board of Governors, conduct regular field examinations of the 1,023 State-chartered commercial banks that are members of the system.

The Federal Reserve System, pursuant to its supervisory responsibilities under Federal law, reports possible violations of Federal criminal statutes to the Department of Justice. Alleged violations involving less than \$50,000 are referred directly to the appropriate United States attorney. Alleged violations involving

more than \$50,000 and any alleged violation involving political contributions by financial institutions, regardless of amount, are referred both to the United States attorney and to the Justice Department.

The Federal criminal laws that may relate to financial institutions cover theft by bank examiners, misapplication, false statements, fraud in loan and credit applications, political contributions by financial institutions, criminal violations by foreign banking corporations, willful violations of the Bank Holding Company Act, regulations promulgated by the Board of Governors of the Federal Reserve System governing securities credit requirements for banks, brokers, dealers, and others under the Securities and Exchange Act of 1934, and truth-in-lending as applicable to State member banks.

Criminal referrals from the Federal Reserve System to the Department of Justice involving, among other things, the disappearance of cash, checks, or securities, the misapplication or theft of funds, or willful violations of the Bank Holding Company Act totaled 525 in calendar year 1975 and 471 in calendar year 1976.

The Federal Reserve System also enforces the provisions of the Bank Protection Act of 1968 and Regulation P requiring the installation, maintenance, and operation of bank security devices and procedures.

### Examination Process

The Federal Reserve System either examines State member banks jointly with State banking authorities or makes alternate independent examinations with the State authorities. The system provides examinations reports to the appropriate Federal and State banking agencies. The bank examination is designed to ensure the safety and soundness of the institution and to monitor the bank's compliance with applicable laws and regulations.

The Federal Reserve System also conducts special examinations of State member banks to determine bank compliance with the Truth in Lending Act and other Federal consumer credit laws. The Board's Regulation AA provides for expedited processing of consumer complaints concerning unfair, deceptive, or unlawful practices by State member banks.

The system enforces the provisions of the Bank Holding Company Act of 1956 with respect to the 1,913 registered bank holding companies by inspections, and by evaluation of reports, applications, and other information submitted by bank holding companies.

### Removal Powers

Under the Financial Institutions Supervisory Act of 1966, the Board of Governors may remove from office an officer or director of a State member bank where

such officer or director has violated law or regulation, has participated in an unsafe or unsound banking practice, or has breached his fiduciary duty, where such violation, practice, or breach of duty causes or will cause substantial financial loss or other damage to the bank or its depositors, and where such violation, practice, or breach of duty involves personal dishonesty on the part of the officer or director. The Board of Governors also can remove officers and directors of national banks when the Comptroller of the Currency certifies facts to the Board justifying such removal.

#### Cease and Desist Authority

Under the Financial Institutions Supervisory Act of 1966, the Board of Governors issues cease and desist orders against State member banks and bank holding companies in order to curtail unsafe or unsound banking practices, violations of statutes or orders, or to enforce the regulations of the Board. As required by the act, the issuance of each order is coordinated with the appropriate State banking authority prior to initiation of enforcement proceedings.

THE FEDERAL TRADE COMMISSION

The basic objective of the Federal Trade Commission is the maintenance of strongly competitive enterprise as the keystone of the American economic system. The public policy underlying all of its duties is essentially the same--to keep the free enterprise system unfettered by monopoly or restraints of trade, and to protect consumers from unfair or deceptive trade practices.

This basic purpose is expressed in the Federal Trade Commission Act and the Clayton Act, both enacted in 1914. The FTC Act prohibits the use in commerce of "unfair methods of competition" and "unfair or deceptive acts or practices." The Clayton Act outlaws specific practices recognized as monopolistic. The Commission as an administrative agency acting quasi-judicially and quasi-legislatively, deals with trade practices on a continuing and corrective basis. Its function is to prevent, through cease and desist orders and by other means, those practices condemned by law or trade regulations promulgated by the Commission. The Commission is not authorized to impose criminal sanctions but may secure court ordered civil penalties up to \$10,000 for each violation of a Commission order. When its investigations disclose criminal activities, this information is furnished the Department of Justice.

The Commission's principal functions are:

To promote free competition in interstate commerce through prevention of general trade restraints such as price-fixing agreements, boycotts, illegal combination of competitors, and other unfair methods of competition.

To prevent the dissemination of false or deceptive marketing of consumer products in general, and food, drug, cosmetics, and devices in particular, as well as other unfair or deceptive practices.

To prevent discrimination in price, exclusive-dealing and tying arrangements, corporate mergers, acquisitions or joint ventures which may substantially lessen competition or tend toward a monopoly, anticompetitive interlocking directorates, the payment or receipt of illegal brokerage, and discrimination among competing customers in the furnishing of, or payment for services or facilities used to promote the resale of a product.

To ensure truthful labeling of textile and fur products.

To regulate packaging and labeling of consumer products covered by the Fair Packaging and Labeling Act to prevent consumer deception and to facilitate value comparisons.

To supervise the registration and operation of associations engaged in export trade to prevent domestic anticompetitive effects.

To petition for the cancellation of registered trademarks used contrary to the Trademark Act of 1946.

To achieve true credit cost disclosure by creditors pursuant to the Truth In Lending Act.

To protect consumers against circulation of inaccurate or obsolete credit reports, and to ensure that consumer reporting agencies operate fairly and equitably as required by the Fair Credit Reporting Act.

To make available to Congress, the President, and the public, economic and business conditions data.

The Commission enforces its statutes by a variety of methods including: the securing of compliance through the rendering of staff advice, and Commission advisory opinions; trade regulation and other rulemaking proceedings; and the entry of orders, either by consent or after administrative adjudication, requiring persons to cease and desist from specified acts or practices.

Recent statutes enacted by Congress which have affected the Federal Trade Commission's law enforcement powers and jurisdiction include the following:

1. Trans-Alaska Pipeline Authorization Act (P.L. 93-153), streamlining the Commission's administrative authority by giving it procedural authority to eliminate delays in enforcement proceedings.
2. Fair Credit Billing and Equal Credit Opportunity Acts (P.L. 93-495), authorizing the Commission to prohibit

deceptive and unfair practices regarding credit billing and availability.

3. Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (P.L. 93-637), broadening the Commission's authority to seek civil penalties for violation of its rules and orders, and to improve Commission effectiveness in initiating actions for injunctive relief, consumer redress, and enforcement of subpoenas.

4. Energy Policy and Conservation Act (P.L. 94-163), authorizing the monitoring of conformance with antitrust standards and procedures to implement voluntary allocation and information exchange agreements.

5. Emergency Natural Gas Act of 1977 (P.L. 95-2), authorizing the furnishing of advice on ways to carry out agreements so as to minimize anticompetitive effects.

6. Deepwater Port Act of 1974 (P.L. 93-627), requiring advice on the anticompetitive effects of licensing construction of deepwater ports.

## GENERAL SERVICES ADMINISTRATION

### Purpose and Responsibility

The General Services Administration (GSA), established in 1949, manages the Federal Government's property and records.

The Public Buildings Service (PBS), with 25,000 employees, is the largest of the GSA services. It is responsible for the design, construction, leasing, operation, protection, and maintenance of most of the Federal buildings in the Nation. PBS has responsibility for about 230 million square feet of space in approximately 10,000 buildings.

The Office of Federal Protective Service Management (OFPSM) establishes national policy for the protection of persons and property under GSA custody and control. The operational responsibility for this task is delegated to 10 regional FPS offices throughout the United States. They employ approximately 3,400 Federal Protective Officers (FPO's) and secure additional protective services from 2,800 contract guards.

### Self-Protection Plans for GSA-Controlled Buildings

Every effort is being made by the Federal Protective Service (FPS) to reduce the likelihood of occurrence of

demonstrations and periodic bombings against GSA-controlled buildings.

This includes the development of two sets of guidelines for a bomb emergency and a security alert. The former provides FPO's with precautionary measures for dealing with suspicious objects and explosives discovered in Federal buildings. The latter helps the FPS directors deal with situations which threaten personnel and Government property.

#### Mobile Response Patrol Concept

FPO's traditionally had been assigned to fixed posts. The effectiveness of this type of protection was limited, however, and the Mobile Patrol Concept was adopted in 1974. Modern communications are used to enable FPS units to respond to an emergency anywhere in metropolitan areas where they are assigned. The FPS mobile units protect thousands of people visiting and working in Federal buildings.

#### Manpower Allocation

As with most law enforcement organizations, the proper allocation of manpower has been a problem for the FPS, with its mixture of security and law enforcement responsibilities and the confinement of its authority to buildings under the charge and control of the GSA administrator.

FPS has contracted with a consulting firm to develop an allocation model as well as a computer-based management information system. The model will indicate the number of persons necessary to carry out the uniformed operations objectives of FPS, and show, in the face of personnel ceilings or budgetary limitations, the proper distribution of manpower on a national, regional, and local basis.

The model is expected to be operational by July 1978.

#### Utilization of Intrusion Detection Systems

More effective use is being made of highly trained Federal Protective Officers through security systems technology. As part of a total protection program, the FPS has installed 10 regional control centers, and a number of monitoring and communications systems throughout the Nation. These centers provide the contact point for radio communications and remote control security system signaling. Utilizing new computerized systems technology, a large number of security functions can be remotely controlled in many buildings in different States from one regional control center with both cost effectiveness and operational efficiency.

Currently, FPS security systems specialists are designing and installing security systems for the John F. Kennedy and the Gerald Ford libraries.

### Training

In May 1977, the FPS became a participating member of the Federal Law Enforcement Training Center (FLETC) at Glynnco, Georgia. FLETC trains over 95 percent of all Federal law enforcement officers, in either the police or investigations schools at the center. In a major development, FPS personnel henceforth will receive their basic and advanced training at the police school, placing the FPS on a training parity with other Federal law enforcement agencies. The basic course requires 8 full weeks of instruction, including both academic application and practical exercises.

### Inspections

The inspections system of internal evaluation employed by the Federal Protective Service assesses operational efficiency and productivity. During 1976, more than 600 inspections were conducted by regional and central office inspectors. These materially assisted them in implementing innovative programs and in evaluating ongoing programs.

### Special Operations

Special Operations Response Teams (SORT), consisting of FPO's who have received special training in the handling of demonstrations, sensitive trials, and other such

events, are authorized in each region. They can be deployed to cities throughout each region or inter-regionally when problem situations arise.



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Department of Health, Education, and Welfare (HEW) employs 144,000 persons and administers over 380 programs. Current estimated outlays for HEW in fiscal year 1977 are \$147.7 billion. HEW programs of income maintenance, health care financing, social services delivery, educational and rehabilitation services, civil rights enforcement, consumer protection, biomedical and educational research are aimed at improving the basic human condition.

The Department is committed to serve beneficiaries of its programs more effectively, and to reduce program costs where possible. In pursuance of these objectives, and HEW's law enforcement responsibilities, plans are being developed for each program to install quality control systems, implement management improvements, and start or intensify antifraud and antiabuse efforts. Primary HEW activities relating to Federal law enforcement and criminal justice are administered by the following components:

OFFICE OF THE SECRETARY

Office of the Inspector General (OIG). Created in October 1976, this office provides leadership in and coordination of the Department's efforts to promote

efficiency and economy and to prevent fraud and abuse in its programs.. The major functions of the OIG are to: conduct the audit and investigation functions for the Department, coordinate activities of the Department's Principal Operating Components designed to eliminate fraud and to promote economy and efficiency in the Department's programs, and coordinate the relationships between HEW and other governmental and nongovernmental entities active in the field of fraud and abuse prevention. Activities in fiscal year 1977 include the establishment of the new OIG organization, of contacts with governmental and nongovernmental entities to secure their cooperation in the prevention of program fraud, and of task forces to review those programs which in the past had a high incidence of fraud and abuse. Among the investigative efforts begun in fiscal year 1977 was Project Integrity, a computer screening program to identify the most flagrant examples of fraud and abuse by Medicaid physicians and pharmacists. These cases will be investigated and, as appropriate, prosecuted on a priority basis. The overall OIG budget for fiscal year 1977 was \$27,453 million.

The Audit Agency (AA), with a staff of 944, tries to assure that the Department's programs are conducted with maximum efficiency and integrity by its own employees and the 50,000 entities which execute departmental

programs. Also, the Office of Management and Budget has assigned AA responsibility for auditing all Federal funds at approximately 95 percent of the Nation's 2,400 institutions of higher education and the indirect cost allocation plans prepared by some 950 units of State and local governments. The AA refers cases of suspected fraud or other criminal acts to the Office of Investigations. During fiscal year 1977, AA focused its resources on program activities with known fund control and abuse problems (e.g., Medicaid, Public Assistance, and Student Financial Assistance). During fiscal year 1976-fiscal year 1977, audits conducted by the AA resulted in \$199.4 million being recovered by the Federal Government. The budget for AA for fiscal year 1976 was \$29,219 million,\* and for fiscal year 1977 was \$25,101 million.

The Office of Investigations (OI) directs Department-wide investigation of all criminal fraud in HEW programs and maintains liaison with related outside agencies. The OI investigations include those for malfeasance; fraud; misuse of funds, equipment, or facilities; violations of terms or conditions of funding; and conflicts of interest by employees, grantees, contractors, and other personnel working on behalf of the Department. In fiscal year 1977

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\*All fiscal year 1976 budget figures include transition quarter funds.

some 300 suspected fraud cases are or have been under investigation, and 24 indictments resulting in 15 convictions have been attained. The OI budget for fiscal year 1976 was \$1 million, and fiscal year 1977 \$2 million. OI staff in fiscal year 1977 totaled 114.

Office of Civil Rights (OCR). The Office of Civil Rights oversees civil rights compliance in Federal and federally assisted programs. These compliance activities encompass reviews of institutions, contractors, and construction projects which receive Federal funds. During fiscal year 1976 and fiscal year 1977, OCR developed a compliance program to conduct these reviews at a representative sample of institutions for which OCR is responsible. Investigative responsibilities for OCR are found within the Office of Compliance and Enforcement (OCE) established in June 1977. The estimated budget for these activities for fiscal year 1976 was \$17.2 million, and for fiscal year 1977 \$16.1 million. The OCE staff for fiscal year 1977 numbered 610.

OFFICE OF EDUCATION/OFFICE OF GUARANTEED STUDENT LOANS (OGSL)

The OGSL administers the Guaranteed Student Loan Program authorized by the Higher Education Act of 1965 with a cumulative loan volume over \$8 billion to date. Established in June 1975, the OGSL Compliance Staff

coordinates all program compliance reviews, assists in the review procedure prior to the withholding of funds from schools or lenders, and refers those cases involving potential criminal violations to the OIG Office of Investigations. Compliance reviews have been concentrated on serious program violators, particularly among proprietary schools (e.g., profit-oriented business, trade, and correspondence schools). The compliance budget for fiscal year 1976 was \$128,000, and for fiscal year 1977 was \$2.07 million. (The fiscal year 1977 budget includes \$1.65 million reprogramed from the Student Loan Insurance Fund and is available to OGSL until expended.) Investigative staff for fiscal year 1977 totaled 51 persons.

#### HEALTH CARE FINANCING ADMINISTRATION (HCFA)

HCFA was established in March 1977 to bring about more effective management of the Department's health care financing programs and to strengthen HEW's antifraud and abuse efforts in the Medicaid and Medicare programs. Within HCFA, the Office of Program Integrity (OPI) is responsible for prevention of fraud and abuse in these programs. Its responsibilities include: investigation and development of Medicare fraud cases; design of detection systems; and assessment of State Medicaid agencies' antifraud and abuse efforts. Cases of potential criminal fraud are turned over to OIG for action.

OPI may participate in criminal investigations at OIG's request. During fiscal year 1976 and fiscal year 1977, OPI assessed fraud and abuse control programs in all 53 Medicaid jurisdictions and initiated corrective action plans. Additionally during fiscal year 1976 and fiscal year 1977, Medicare violation cases resulted in 97 convictions with \$3.96 million recovered. The estimated budget for OPI for fiscal year 1976 was \$4.821 million, and for fiscal year 1977 \$8.9 million. The fiscal year 1977 budget figure reflects the reorganization establishing NCFA. OPI staff totaled 355 in fiscal year 1977.

#### THE PUBLIC HEALTH SERVICE

Food and Drug Administration (FDA). The FDA is a scientific regulatory agency to protect consumers from deception and harm in the marketing of foods, drugs, cosmetics, medical devices, biologics, and electronic radiological products. FDA's major compliance programs are authorized by the Federal Food, Drug, and Cosmetic Act; the Radiation for Health and Safety Act; and other related statutes. Investigative responsibilities reside in the Office of the Associate Commissioner for Compliance (OCC). Corrective action for violations includes license suspension, seizure, injunction, regulatory letters, and product recall. In fiscal year 1976, FDA initiated more than 3,300 enforcement actions. The FDA budget estimated

for these activities for fiscal year 1976 was \$42.5 million and fiscal year 1977 was \$57.5 million. OCC staff totaled 1,400 persons in fiscal year 1977.

Other Law Enforcement Activities

Various offices throughout the Department provide funds and other resources (e.g., technical assistance and training) for broad purposes related to law enforcement activities. These efforts include, for example: research studies such as the Safe Schools Study (descriptive survey of incidence of crime in schools); the Teacher Corps (provides training to disadvantaged persons, including youthful offenders); and the Criminal Justice Alcoholism Program (provides treatment and rehabilitation for inmates).



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

General

HUD administers the principal Federal programs seeking to make decent homes in suitable environments available to all Americans and to assist in the orderly growth of the Nation's communities.

HUD's programs and activities involving criminal justice and crime prevention deal with residential and commercial crime insurance, the protection of consumers against fraudulent actions by land developers, and the enforcement of fair housing laws. Through financing, research, and construction, HUD also supports policing of low rent housing and planning strengthened and improved public safety and security systems.

Audits and Investigations

The Office of the Inspector General, operationally independent of other offices in HUD, is the Department's focal point for reviewing the integrity of operations. Through its audit, investigation, and personnel security activities, the office helps disclose and prevent fraud and abuses in HUD programs and recommends improvements in HUD's programs and activities.

Since 1972, HUD has participated in the Target Cities Program with other Federal agencies to ferret out

fraud and corruption in Federal housing programs. This effort has resulted in over 700 indictments against more than 1,100 defendants in 29 target cities.

The Office of Inspector General also has made special audit/investigation reviews (Operational Surveys) of HUD offices to identify conditions conducive to irregularities. The IG issued 38 Operational Survey reports since the inception of the program in June 1972 through September 30, 1976. Over 1,160 referrals for investigations resulted from these surveys. Seven more reports are to be issued in fiscal year 1977.

The following are some of the main results of HUD's investigation efforts:

	Fiscal Year	
	10/1/75- 9/30/76	FY 77
Investigations Opened	2,650	2,600
Investigations Completed by HUD	2,000	1,700
Investigations Referred to FBI	1,400	1,200
Persons or Firms Indicted	220 <sup>1</sup>	210 <sup>2</sup>

<sup>1</sup>Including 8 HUD employees

<sup>2</sup>Including 6 HUD employees

#### Riot and Crime Insurance

The Federal Insurance Administration (FIA) administers the Federal Riot Reinsurance Program and the Federal Crime Insurance Program.

The Federal Riot Reinsurance Program encourages private insurance coverage for property in areas exposed

to riots or other civil disorders through insurance pools known as FAIR Plans (Fair Access to Insurance Requirements). Since August 1968, FAIR Plans have been established in 25 States, the District of Columbia, and Puerto Rico, making FAIR Plan insurance available to 75 percent of the national property insurance market.

The program, entirely self-supporting, will have accumulated a surplus of about \$111 million and paid claims totaling about \$12 million by September 30, 1977.

The Federal Crime Insurance Program provides insurance against losses resulting from burglary and robbery of residential or commercial property. Coverage is conditioned on prior installation of certain protective devices.

HUD provides the crime insurance to areas where it is not available at reasonable rates. The program is currently available in Alabama, Arkansas, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Iowa, Kansas, Maryland, Massachusetts, Minnesota, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Tennessee, and Virginia.

As of September 30, 1977, there were a projected 38,400 policies in force under the program.

Security Research Program

Crime and the fear of crime are significant problems which work against the effectiveness of HUD's housing and community development programs. HUD's security research program, working with the Law Enforcement Assistance Administration (LEAA) and the Offices of the Assistant Secretaries for Housing; Community Planning and Development; and Neighborhoods, Voluntary Associations, and Consumer Protection, seeks to produce for use by communities practical methods, operating procedures, and technical information which contribute to both short- and long-term solutions to reduce crime and the fear of crime in housing developments and surrounding neighborhoods.

HUD has had a research program on residential security since 1974 which has produced design guidelines on improving residential security and for creating defensible space; technical memoranda on safety and security; profiles of crime and victimization reports on several public housing projects; and films and other technical assistance aids on hardware and for family and elderly housing security.

The victimization reports have assisted the administrators of the public housing sites studied to identify project-wide actual crime rates, and resident fear levels and altered behavior resulting from crime.

This information in turn has been useful in making decisions on the allocation of funds for security improvements.

In 1976, HUD entered into a joint contract with LEAA to develop neighborhood security planning guidelines for use by local housing agencies and administrators. Also in 1976, in cooperation with the Office of Housing and the Law Enforcement Standards Laboratory, an interagency agreement with the National Bureau of Standards (NBS) was signed to demonstrate, at three public housing sites, innovative door and window hardware security standards developed by NBS.

The fiscal year 1977 Security Research Program will complete and disseminate the results of public housing victimization and controlled entranceway studies, and the comprehensive security plans prepared for the three public housing demonstration sites mentioned above. Also, in cooperation with the Community Services Administration, the Administration on Aging, and LEAA, a national six-city demonstration and evaluation program on reducing crime against the elderly will be started.

#### Housing and Security Problems

HUD provides several forms of financial assistance and protective measures for security in housing, a major concern. These include:

- Funds to public housing agencies to improve physical security. Additionally, the use of guards and protective services may be approved as eligible operating costs under annual contribution contracts.
- Repair and refurbishing plans for HUD-acquired multifamily projects tailored to provide the security features best suited for each project, considering its location, intended occupancy, and past history.
- Consideration of the physical security of tenants in processing applications for housing projects and in establishing minimum property standards and facilities to be provided.
- Financial relief, such as deferment of principal payments or release of funds in the Reserve for Replacement accounts, for insured housing projects to improve security features when the lack of such features contributes to renting difficulties and the financial instability of the projects. Similarly, when HUD is the mortgagee, funds to improve project security can be made available through reduced monthly payments of principal to HUD.

Crime Prevention in Urban Neighborhoods

HUD, in the spring of 1977, organized its Office of Neighborhoods, Voluntary Associations, and Consumer Protection (NVACP) to develop and refine crime prevention activities, an important element in neighborhood revitalization. Since then, HUD has sought and received input on crime programming from six national neighborhood organizations with local affiliated neighborhood groups in over 15 cities to strengthen HUD's future programming efforts. Through NVACP, HUD also has broadened its staff relationships with the Department of Justice, LEAA's Community Anti-Crime Program, and LEAA's Office of Juvenile Justice and Delinquency Prevention (OJJDP) to support neighborhood anticrime projects. HUD also is collaborating through its Community Services Program with the OJJDP in a Youth Offenders Diversionary Program. A total of \$200,000 has been allocated among seven Public Housing Agencies (PHA's) to support programs in public housing in cooperation with the local agencies receiving diversion grants from LEAA. Community Services Advisors assigned to HUD field offices provide technical assistance to PHA's in security matters, particularly regarding tenant involvement.

### Ensuring Equal Opportunity in Housing

HUD's Fair Housing Program was established under the Civil Rights Act of 1968. The act authorizes the Secretary of HUD to investigate and attempt conciliation of complaints involving discrimination in housing on grounds of race, color, religion, sex, or national origin. It also authorizes the Attorney General to bring civil action if he has reasonable cause to believe there is a pattern or practice of resistance to full enjoyment of rights granted under title VIII, or that a group of persons has been denied such rights.

For the 2-year period ending September 30, 1977, HUD spent approximately \$11.6 million administering title VIII with a staff of about 210. During the same period, HUD received 6,931 complaints under title VIII, including 662 complaints alleging sex discrimination. In fiscal year 1976 and fiscal year 1977 HUD referred an estimated 48 such complaints to the Department of Justice.

### Protection of Land Purchasers

The Interstate Land Sales Full Disclosure Act, administered by NVACP through its Office of Interstate Land Sales Registration (OILSR), assures to land purchasers full disclosure of all facts pertaining to a proposed land sales transaction before they obligate themselves to purchase. Land developers are required

to register offerings with HUD and give purchasers a Property Report, a condensed reiteration of facts and representations contained in the registered Statement of Record. Developers must amend their filings when material changes occur with respect to the contents of their registration statements. More than 7,000 subdivisions have been registered with OILSR.

Since June 1972, 23 civil injunctive cases have been referred to the Department of Justice. Sixteen injunctions have been obtained as well as 13 indictments, 12 of which resulted in convictions. Numerous subpoena enforcement cases have been referred. By the end of June 1977, OILSR had issued 1,184 subpoenas, 1,434 Notices of Proceedings (warnings of impending suspensions), and about 1,249 suspensions (including over 300 resulting from developers' failure to show compliance with the 1974 statutory amendments).



DEPARTMENT OF THE INTERIOR

Historically the law enforcement functions of the Department of the Interior were vested in the Bureau of Land Management; the Bureau of Reclamation; the Office of Territorial Affairs; the U.S. Fish and Wildlife Service; the Bureau of Indian Affairs; and the National Park Service. In 1975, central direction of the Department's law enforcement functions was established at secretarial level.

This set forth the policy, responsibilities, standards, and procedures to assure the preservation of public order, safety, resources, and tranquility, including enforcement of laws and ordinances, detection and arrest of offenders, and crime prevention in those areas of interest to the Department. It also ensured standardization in various aspects of law enforcement, to include an inspection system to assure compliance.

Additional legislation was enacted in 1976 to improve the administration of the National Park System. Public Law 94-458 authorized the Secretary to designate certain officers or employees to protect persons and property within those areas set aside for national parks. Public Law 94-579 gave the Secretary the prerogative of authorizing Federal personnel or appropriate

local officials to carry out their law enforcement responsibilities on public lands and their resources under the control of the Bureau of Land Management.

#### Bureau of Land Management

This program was established in November 1975 to protect the public lands and their natural resources from destruction and misuse. The total program consists of investigations by special agents, patrol duties by uniformed rangers, contracts with local law enforcement for assistance in enforcing Federal regulations, cooperative agreements with local law enforcement to handle violations of State law on the public lands, and cooperative agreements with other Federal law enforcement agencies for mutual assistance.

#### Bureau of Reclamation

The Bureau of Reclamation has law enforcement authority only at Hoover Dam, on the Colorado River near Boulder City, Nevada. Federal police at this facility control vehicular and pedestrian traffic in the area, and provide protection for the dam and associated facilities. At all other locations the

Reclamation relies upon State and local law enforcement and protection of

U.S. Fish and Wildlife Service

The service in its law enforcement efforts protects domestic and international wildlife and ensures appropriate management and preservation of this resource while providing opportunities for optimum human utilization. The Divisions of Law Enforcement and National Wildlife Refuges are the service's organizational units principally concerned with these efforts.

The U.S. Fish and Wildlife Service conducts a wide variety of investigative activity for the protection of natural resources ranging from endangered plants and animals to migratory birds. Enforcement emphasis centers upon (a) those violations which are commercial or large-scale operations having the greatest impact on the resource, and (b) law enforcement activities which cannot be handled by State and local enforcement bodies, and are therefore clearly the responsibility of the service.

Enforcement operations are administered through 13 district offices, each with a special agent in charge. Administrative support functions are maintained at the district offices. The agent is responsible for all field investigative activity within his district.

Bureau of Indian Affairs

Officials of the Bureau of Indian Affairs work cooperatively with tribal authorities to enforce law on Indian reservations. In some cases, all Federal and tribal laws on a reservation may be enforced by tribal police, with financial and technical assistance from the Bureau of Indian Affairs (BIA). In others, BIA assumes the law enforcement responsibility or works in combination with officials of tribal police. BIA also trains Indian police officers and funds tribal corrections and courts programs but exercises no legal authority over them. Some reservations are under State jurisdiction for the enforcement of criminal laws with police activities administered in the same manner as elsewhere in the State.

Historically, BIA criminal justice activities were top-heavy in the area of enforcement. The recent past, however, has seen marked improvement in the areas of prevention, rehabilitation, and judicial programs.

On January 4, 1975, the Congress enacted Public Law 93-638, the "Indian Self-Determination and Education Assistance Act." Under the provisions of Public Law 93-638, the Secretary can sign contracts with some tribes for the reservations. The contracting must meet the standards set forth in

Departmental Manual 446 DM 1 and 2 and 68 BIA Manual. Technical assistance and training is provided by the Bureau of Indian Affairs.

Tribes with contracts for law enforcement programs are reported doing a creditable job but the program has not been in operation long enough to make a full assessment.

#### National Park Service

The service has protection responsibilities in the approximately 300 park areas which comprise the National Park System. Designated park rangers and members of the United States Park Police enforce the laws and regulations.

Park rangers. In most park areas, designated park rangers are responsible for law enforcement with aid in some instances from State, local, or other Federal agencies. For the typical ranger law enforcement is but one of many duties requiring special skills. His other duties include search and rescue; wild land and structural fire prevention and suppression; technical climbing; supervising water related activities such as boating, swimming, and scuba diving; emergency medical treatment; resource and wildlife protection; and park management.

United States Park Police. The Park Police provide complete law enforcement services in the urban park areas of Washington, D.C., and its environs, at the Gateway National Recreation Area in New York City, and at the Golden Gate National Recreation Area in San Francisco. U.S. Park Police also serve as law enforcement advisors on the staffs of the Director of the National Park Service and the various regional directors. Criminal investigators are sometimes detailed from the Park Police to field areas to assist park rangers. The U.S. Park Police Special Operations Force oversees special events in parks of the National Capital Region and responds, as needed, to calls from other park areas of the National Park System to cope with law enforcement emergencies.

Trust Territory of the Pacific Islands

Law enforcement activities in the Trust Territory of the Pacific Islands and in American Samoa are administered by the chief executives of those territories, who in turn each appoints an attorney general. In the Trust Territory the attorney general administers the police force while in American Samoa the Commissioner of Public Safety does so. Judges of the High Court of both territories are appointed by the Secretary of the Interior but receive funding and administrative support

from their respective governments. The President appoints the High Commissioner of the Trust Territory and the Secretary of the Interior appoints the Governor of American Samoa. The Secretary is administratively responsible for the civil government of both territories. Neither territory nor subordinate entities thereof are legally considered Federal agencies. Both are treated as States for purposes of Federal programs.



INTERSTATE COMMERCE COMMISSION

The Interstate Commerce Commission was created under authority of the Interstate Commerce Act of 1887 to combat disruptive influences within the Nation's interstate surface transportation system. The Commission prescribes and enforces laws and regulations governing rail, truck, pipeline, and bus transportation of individuals, household goods, express items, and general freight and cargo.

Compliance with the Interstate Commerce Act, related statutes, and the rules and regulations promulgated thereunder is assured through an aggressive enforcement program, which includes extensive investigative activity into all aspects of the transportation industry. These investigations may be followed by civil injunctive actions, administrative proceedings, and referrals to the various United States attorneys or the Department of Justice for criminal prosecution.

Enforcement and Compliance

The Bureau of Investigations and Enforcement is the law enforcement arm of the Commission.

In 1976, enforcement actions involved unlawful practices in household goods transportation, adequacy of passenger service, handling of shipper claims,

transportation of small shipments, distribution and utilization of freight cars, and maintenance of proper insurance for protection of the public. From January 1, 1975, to December 31, 1975, civil forfeiture settlements of \$627,660 were collected. In 1976, the Bureau settled civil forfeiture cases in the amounts of \$813,275.

Despite the effectiveness of civil forfeiture settlements in some situations, they have not reduced sufficiently the number of violations or the rate of recidivism. In the fall of 1976, the Commission reorganized its compliance program to increase its enforcement activities. It put priority on violations of law relating to: inadequate motor or rail service, including those involving the transportation of household goods; rate integrity, including any device to grant rebates or concessions; inadequate railcar service or service orders; failure by the carrier to have insurance sufficient to protect individuals or cargoes; unauthorized common control of more than one carrier; significant unauthorized transportation, particularly where other authorized services are available; carrier capitalization; and derogation of reporting requirements and the maintenance of proper records.

Under its revitalized compliance program, the Commission replaced its Bureau of Enforcement with the Bureau of Investigations and Enforcement, an enforcement

unit comprised of investigators and lawyers. This Bureau consists of 83 investigators and 42 lawyers working in close coordination with each other.

Under the program, the Bureau, in conjunction with the Commission's Bureaus of Accounts and Operations, created several strike forces to combat major regulatory problems. This team approach unites Commission investigators and attorneys with other Federal, State, and local enforcement units to concentrate efforts on areas of significant criminal activity. For example, the Commission's Sham Agricultural Cooperative Task Force, with the aid of State and local enforcement units as well as the FBI, is conducting an intensive campaign against criminal abuse by outsiders of the exemptions allowed farm cooperatives in motor carrier operations.

The Commission will continue its consumer-oriented compliance program with an effort to obtain voluntary compliance by the industry. Where voluntary compliance is not attainable, the full range of statutory redress will be used to gain compliance.



DEPARTMENT OF JUSTICE

Introduction

The Department of Justice is in the forefront of the Federal Government's effort to combat crime.

In doing this, it must strike a balance between its anticrime measures and protection of individual rights and freedom.

The Department's range of responsibility spans the entire spectrum of criminal justice and law enforcement--from some cases of homicide and other crimes of violence, to illegal drug traffic, immigration irregularities, tax evasion, unfair trade, civil rights violations, and white-collar crimes, among others.

This chapter outlines some of the highlights of the work of the Department and its nearly 54,000 employees the last two years.

Criminal Division

Enforcement of all Federal criminal laws is under the supervision of the Criminal Division, except for laws specifically assigned to other divisions. Ten sections under the direction of the Assistant Attorney General, Criminal Division, enforce the Federal criminal statutes.

Participation in criminal justice assistance activities financed by the Law Enforcement Assistance Administration has been quite productive, though limited. The

principal participation of the Division has been in projects under several of the Organized Crime Strike Forces of the Organized Crime and Racketeering Section and in crime prevention assistance efforts stimulated by the General Crimes Section.

Initiated in 1966, the strike force concept is a team approach, uniting representatives in Federal investigative agencies under the legal guidance of attorneys in the section and a United States attorney.

In the past 2 years the "undercover business" technique developed by the New York strike force with LEAA money was adopted nationwide as a law enforcement tactic, most notably in theft and fencing situations. An outstanding example of this type of operation is the "Sting" series of undercover fencing operations conducted by the Washington Metropolitan Police Department.

A counterfeiting operation investigated by the Boston strike force and the Massachusetts State Police led to eventual indictment and conviction of an organized crime syndicate member and 11 others. Sentences for those convicted averaged 2 years.

Another LEAA-financed project involving the Massachusetts State Police, the FBI, and the Boston strike force resulted in the conviction of a syndicate member and eight of his confederates on gambling charges. In addition, two bookmakers, a lawyer, and ten employees were charged and

convicted in other indictments. Fines and seizures in these cases totaled \$231,500. LEAA funds totaling \$59,205 were used in the project.

Since 1972, the General Crimes Section has established 22 Federal-State Law Enforcement Committees to avoid duplicative prosecutions and prevent prosecutable cases from falling into gaps between Federal and State enforcement. As a result of LEAA financing and staffing, a pilot project has been established to monitor the level of effective enforcement of certain selected concurrent jurisdiction offenses.

The Interagency Committee on Auto Theft Prevention, cochaired by the Departments of Justice and Transportation, was established to reduce the number of auto thefts by seeking improvements in vehicle locking systems; enactment of uniform State laws to make more difficult the concealment of theft by salvage titling and used-part operations; and more effective Federal and State coordination to prevent the exporting abroad of stolen vehicles.

The General Crimes Section has administratively implemented provisions of the statute (18 U.S.C., section 5001) to facilitate the return at Federal expense of substantial numbers of young offenders in auto theft prosecutions to the State where the offenses were committed for disposition. In this connection, LEAA money was used for a survey of the reasons behind the reluctance of State and

local authorities to prosecute auto theft cases and to determine what Federal actions, e.g., payment of witness fees and extradition costs, would lead to more aggressive State and local prosecution of such cases.

General Crimes Section attorneys represent the Department on the Interagency Committee on Transportation Security, created in 1971 to cope with cargo thefts. It established Cargo Security Working Groups, consisting of representatives of industry, labor, State, local, and Federal officials in 16 major cities. Results include a reported drop in theft-related losses by the airlines after the implementation of various security and control measures recommended by the working groups.

The Bank Protection Act of 1968 gave Federal regulatory agencies the power to establish minimum physical security standards for federally regulated financial institutions. After several years of unsuccessful efforts to obtain a voluntary redrafting of the security standards established under the act by the appropriate agencies, the Criminal Division, in December 1976, filed formal petitions under the Administrative Procedures Act to strengthen the regulations governing bank protection. The Division acted after robberies, larcenies, and burglaries in banks doubled in numbers since 1968.

In November 1974, the Federal Advisory Committee on False Identification (FACFI) was established to study the

nature and scope of the criminal use of false identification and to recommend steps to combat such criminal activities, consistent with the right of each citizen to privacy. In November 1976, the Committee issued an 800-page report with more than a hundred recommendations, including comprehensive Federal, State, and local action to prevent such crimes. The Criminal Division is urging enactment of appropriate State legislation since most identification documents are issued and regulated by the States.

In the area of weapons and explosives control, the Division has been working with the Treasury Department's Concentrated Urban Enforcement (CUE) program to reduce the criminal misuse of firearms and explosives.

Division attorneys worked closely with Congress and the Securities and Exchange Commission (SEC) in drafting the Securities Acts Amendments of 1975 (Public Law 94-29) regarding the theft and use of stolen and counterfeit marketable securities. The law will require the Nation's financial institutions to validate securities used in financial transactions through an SEC data bank containing a listing of lost, missing, stolen, and counterfeit marketable securities.

The Fraud Section works regularly with the LEAA-financed Economic Crime Project and the National District Attorneys Association. Under the project, 53 local prosecutors have established "economic crime units" to coordi-

cross jurisdictional boundaries. This involves the sharing of intelligence in developing cases, participation by the section unit chief in conferences of the project, and informal contacts with individual State and local prosecutors.

The Narcotic and Dangerous Drug Section has reviewed, together with the Drug Enforcement Administration, drug enforcement problems at the State and local levels on the Mexican border and recommended financing by LEAA in several instances to deal with the investigative and prosecutive problems in this area.

Office for Improvements in the Administration of Justice

The Office for Improvements in the Administration of Justice in the Department of Justice was established in February, 1977, incorporating the former Office of Policy and Planning. Under the direction of the Attorney General, the office is responsible for developing means of improving the system of justice, both civil and criminal, with special emphasis on the Federal judiciary and its processes. The office also works with organizations, both within and outside the Department, in formulating legislation to im-

provement of justice and in implementing  
effect such improvements.

a 2-year agenda, built around four ma-  
oals are: assure access to effective

justice for all citizens; reduce the impact of crime on citizens and the courts; reduce impediments to justice unnecessarily resulting from separation of powers and federalism; and increase and improve research in the administration of justice. During its first few months, the Office:

- prepared court reform legislation on the jurisdiction of U.S. magistrates and district courts.

- coordinated the efforts of the Department and Committees of Congress for enactment of a new Federal criminal code.

- developed neighborhood justice center models for use on a pilot basis by State and local governments.

- drafted proposals to introduce the use of arbitration as a dispute settling mechanism in the Federal system.

- reviewed the practicality of adopting a determinate sentencing system for Federal criminal cases.

- initiated studies to assess the judicial impact of new legislation, the improvement of class action procedures, and the revision of some aspects of pretrial and appellate procedures.

- prepared analyses in support of legislation to provide compensation to victims of crime.

- developed legislation to improve the compensation and treatment of witnesses and jurors.

--identified general areas and specific questions to be addressed by the Federal Justice Research Program.

Office of Legislative Affairs

Under the direction of the Assistant Attorney General for Legislative Affairs, the Office of Legislative Affairs serves two primary functions. First, it assists in formulating and coordinating legislative policy among the various offices, boards, and divisions; and second, it maintains Department of Justice liaison with the Congress and other governmental departments and agencies.

The Office develops and manages the Department's own legislative program and supervises the preparation of reports and testimony to implement that program. It also reports on legislation submitted outside the Department.

Further, the Office arranges witnesses for congressional hearings and prepares or coordinates testimony. In addition, the Office prepares or supervises the preparation of reports on the legal sufficiency of various legislative proposals presented to the President.

The Office is the focal point for all congressional contacts, both on general legislation and on matters of interest to individual House or Senate members, and ensures timely and appropriate responses. It deals with its counterpart offices in other departments and agencies, with the Office of Management and Budget, and with the White House domestic policy staff.

Legislative Program

The most important legislation enacted by the 94th Congress included the Consumer Goods Pricing Act, which prohibits resale price maintenance formerly legal in many States; the Antitrust Civil Process Act, which facilitates the obtaining of needed evidence in civil antitrust cases; and Extension of the Voting Rights Act of 1964, which would have otherwise expired in August 1975.

The legislative program for the 95th Congress includes the following important proposed measures:

1. The Criminal Code Reform Act, which would substantially revise and recodify the Federal criminal law.
2. The Foreign Intelligence Surveillance Act, which would require a judicial warrant for all electronic surveillance within the United States conducted for foreign intelligence purposes. This proposal is designed to make unlawful the kinds of abuses of national security electronic surveillance that have occurred in the past, while clearly establishing the legality of electronic surveillance for intelligence purposes in limited circumstances.
3. A measure to implement the treaties for the transfer of criminal law offenders to or from foreign countries.

4. Improvement of access to the Federal courts by expansion of the jurisdiction of U.S. magistrates.
5. A proposal to relieve congestion in the Federal courts by reducing diversity jurisdiction.
6. A proposal which would eliminate existing statutory priorities for most civil actions.
7. A proposal which would require arbitration efforts for certain kinds of factually oriented Federal cases before they can be brought to trial.
8. A proposal which would provide an exclusive remedy against the United States for common law and "constitutional torts" committed by Federal employees.
9. A proposal to amend and extend the programs under the Juvenile Justice and Delinquency Prevention Act.

In addition, the 95th Congress has enacted, as Public Law 95-103, a proposal to extend the statute of limitations on the filing of certain Indian claims until April 1, 1980.

#### Civil Rights Division

Federal criminal statutes that prohibit specified acts of interference with federally protected rights and activities are enforced by the Civil Rights Division.

The Division also enforces laws and executive orders that prohibit discrimination in employment, education, housing, voting, public accommodations and facilities, and federally assisted programs.

Fiscal year 1976 activities. The Criminal Section reviewed approximately 13,000 complaints alleging criminal interference with the civil rights of citizens. Nearly 3,800 of these complaints were investigated by the FBI. The results of 69 investigations were presented to Federal grand juries. Forty indictments were returned and seven informations were filed charging a total of 86 defendants.

Thirty-six cases were tried, resulting in 38 defendants being acquitted and 26 convicted. In addition, 16 defendants pled guilty or no contest to violations of criminal civil rights statutes.

Investigations into complaints alleging summary punishment by law enforcement officials continued to account for much of the Criminal Section's activities. Twenty-seven of the cases tried involved violations by police or other law enforcement officials.

Nine of the cases filed arose from incidents that occurred in connection with school desegregation problems in Boston, Massachusetts, and Louisville, Kentucky, during the last school year.

Significant cases include one in which three defendants were convicted in Savannah, Georgia, of inducing a witness to commit perjury before a Federal grand jury, and for making and using false statements.

Four cases were filed in Puerto Rico involving allegations of misconduct by police officers. Two were tried and the defendants found guilty.

During the year, a significant portion of the Criminal Section's time and resources has been spent on investigating possible civil rights violations by the FBI.

The Section continues to oversee public school openings in desegregating school districts. The Section actively participated in planning law enforcement activities in Dayton, Ohio, and Milwaukee, Wisconsin, as well as in Boston and Louisville.

#### Antitrust Division

Enforcement program. The Antitrust Division of the Department of Justice is charged with the promotion and maintenance of competition in the American economy. The Division's primary tools for maintaining a competitive economy are the criminal and civil provisions of the Sherman and Clayton Acts, generally prohibiting monopolies, unreasonable restraints of trade, and anticompetitive mergers.

The Division employs about 420 lawyers and has an annual budget of nearly \$30 million. It is the largest legal division in the Department.

A large and increasing portion of the Division's enforcement efforts focus on such antitrust violations as price fixing and market allocation.

In fiscal year 1976, the Division filed 65 cases, 45 civil and 20 criminal. In fiscal year 1977 ending June 30, 1977, the total was 63 cases, 31 civil and 32 criminal.

In fiscal year 1976, the Division indicted 23 manufacturers of folding cartons and 50 of their present and former executives on charges that they conspired to fix folding carton prices. The defendants in this suit accounted for annual folding carton sales in excess of \$1 billion. All but one of the corporate defendants in this misdemeanor case were convicted on pleas of nolo contendere, and total fines of \$900,000 have been levied against them. All but two of the individual defendants were convicted on pleas of nolo contendere. Fifteen of these defendants were sentenced to jail terms ranging from 60 days to 5 days work release. In addition, \$348,200 in fines were levied against the convicted individual defendants. The remaining defendants were tried early in 1977. The corporate defendant was found guilty; the two individuals were acquitted.

In fiscal year 1977, the Division commenced a criminal trial against seven leading independent oil companies, their national trade association, and four of their officials who are charged with having conspired to fix the price of retail gasoline in the Middle Atlantic States. During the 8-year period covered by the indictment in this case, the total sales of gasoline through stations owned or controlled

by the defendant corporations amounted to approximately 17 billion gallons valued at approximately \$4 billion.

The Division continues the prosecution of the monopolization suit against IBM. The Division's complaint charged the world's largest computer manufacturer with unlawful monopolization under the Sherman Act, and claimed that IBM has the power to control prices and to exclude competition from the manufacture and marketing of general purpose electronic digital computer systems manufactured and marketed principally for business data processing. The Government expects to conclude its affirmative case this year. IBM claims its defense will take at least a year.

The Division filed suit against American Telephone and Telegraph Co., Western Electric Co., and Bell Telephone Laboratories in fiscal year 1975. The suit alleges the full range of section 2 violations--monopolization, conspiracy to monopolize, and attempt to monopolize--in the telecommunications service market and in the telecommunications equipment market. On November 16, 1976, after 21 months' consideration, the District Court ruled that it had jurisdiction to consider the matters raised by the Department's complaint.

Another major litigation effort in fiscal years 1976-1977 is the Pfizer case. The case involves a substantial action against five drug companies for civil damages

resulting from a variety of alleged illegal practices concerning the marketing of tetracycline and other broad spectrum antibiotic products. Pfizer is the largest Government damage action now pending, and perhaps the largest ever.

In the international area the Attorney General and the Assistant Attorney General for Antitrust met in fiscal year 1977 with officials of the government of Canada to examine methods of improving antitrust enforcement. In fiscal years 1976-77, the Division brought suit against an American firm, the Bechtel Corporation, charging it with agreeing to implement in the United States the Arab boycott of Israel. The suit, brought under section 1 of the Sherman Act, alleged that the corporation implemented a conspiracy to boycott by refusing to deal, and requiring others to refuse to deal, with United States suppliers of goods or services blacklisted by Arab League countries. The consent decree that terminated the case enjoins Bechtel from implementing or enforcing in the United States any agreement providing for the boycott of any United States blacklisted person, entering into any such agreement, or requiring or assisting any other person from enforcing such an agreement. To achieve these objectives, the decree would include certain specific prohibitions; but recognizing the right of Arab nations to decide from what sources they will buy goods or services, it does not prohibit Bechtel from acting as

prime contractor for Arab nations which specifically and unilaterally prescribe which subcontractors shall be used.

The Division also has major responsibilities in the enforcement of Federal consumer protection statutes. The Division coordinates and supervises the prosecution and defense of cases involving the "client" agencies which administer these acts, and in cooperation with the U.S. attorneys prepares and tries such cases. The Division instituted 387 such cases in fiscal year 1976, and 501 from July 1, 1976, to March 31, 1977. The principal client agencies are the Food and Drug Administration, Consumer Product Safety Commission, and Federal Trade Commission.

Legislative changes. In 1976, the Antitrust Improvements Act of 1976 was signed into law. This law broadens the scope of the Division's power to obtain precomplaint discovery using civil investigative demands; facilitates the Division's efforts to screen upcoming mergers and prevent consummation of anticompetitive ones; permits State attorneys general to bring civil actions for treble damages for injuries sustained by all of the residents of the State any violation of the Sherman Act; and authorizes the Division to financially help States improve their enforcement capabilities. The statute authorizes appropriations for 1977, 1978, and 1979. Congress appropriated \$10 million in 1977.

In 1977, the Division testified in favor of legislation to overturn a Supreme Court decision--Illinois Brick Co. v. Illinois--in which the Court held that damage actions for illegal price fixing would be available only to those who purchased the goods directly from the violators.

Fiscal year 1976 also saw the repeal of the Nation's Fair Trade Laws, an action actively advocated by the Division.

Regulatory and interagency affairs. With the increased emphasis on regulatory policy, the Division created the Regulated Industries Section and the Special Regulated Industries Section. They are responsible for antitrust law enforcement and regulatory intervention in their assigned areas.

In fiscal 1977, the Division prepared the Attorney General's report on the competitive effects of transporting natural gas from Alaska, in accordance with the Alaska Natural Gas Transportation Act of 1976. Similarly, the Federal Coal Leasing Amendments Act of 1975 requires the Attorney General to review all Federal leases for the mining of coal on Federal lands.

#### Office of Professional Responsibility

The Office of Professional Responsibility (OPR), established December 17, 1975, in the Department of

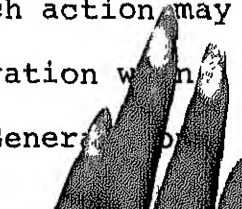
Justice, oversees investigations of allegations of misconduct by departmental employees. The head of this Office is the Counsel on Professional Responsibility, who serves as a special reviewing officer and advisor to the Attorney General and the Deputy Attorney General.

The Counsel and his staff receive and review information or allegations concerning conduct by a Justice Department employee that may violate the law, Department orders or regulations, or applicable standards of conduct.

The Counsel is authorized to make a preliminary inquiry into such allegations. Those cases in which there appears to be a violation of the law are referred to the agency that has jurisdiction to investigate such violations. Other matters are referred to the head of the agency to which the employee is assigned or to the agency's internal inspection unit.

The Counsel on Professional Responsibility makes recommendations to the Attorney General and Deputy Attorney General on what further specific action should

be taken on any matter involving a violation of the law, order, or standard. Such action may include the supervision of an investigation with the Attorney General or Deputy Attorney General or other appropriate action.



The heads of the Department offices, boards, divisions, and bureaus make periodic reports to the Counsel on administrative matters in which their employees have been accused of misconduct. The Counsel submits to the Attorney General an annual report reviewing and evaluating the Department's various internal inspection units. The Counsel also makes recommendations to the Attorney General on the need for changes in policies or procedures that become evident during the course of the internal inquiries reviewed or initiated by the Office.

COINTELPRO Notification Program. On April 1, 1976, the Attorney General announced that OPR would notify individuals affected by the Federal Bureau of Investigation's (FBI) domestic Counterintelligence Program (COINTELPRO), carried out from 1956 to 1971, and consisting of disruption and harassment of politically radical individuals and organizations. A panel of attorneys conducted a review of FBI files to determine which individuals were targets of the FBI COINTEL program. The Attorney General developed specific guidelines to assist the panel in deciding which individuals to notify.

After determining which individuals appeared to have been harmed by COINTELPRO, the OPR panel, with

the assistance of the United States Marshals Service, sought to notify several hundred individuals that they were COINTELPRO targets. These individuals were told that additional information about the COINTELPRO action taken against them is available on request.

Martin Luther King, Jr., Review Task Force. On April 26, 1976, the Attorney General authorized the Office of Professional Responsibility to form a task force to complete a review, initiated by the Civil Rights Division, of the Federal Bureau of Investigation's activities relating to the late Dr. Martin Luther King, Jr. The task force was asked to determine (1) whether the FBI investigation of Dr. King's murder on April 4, 1968, at Memphis, Tennessee, was thorough and honest; (2) whether there was any evidence of FBI involvement in Dr. King's death; (3) whether any new evidence had come to the attention of the Department bearing on the assassination which should be dealt with by the proper authorities; and (4) whether the relationship between the FBI and Dr. King called for criminal prosecution, disciplinary proceedings, or other appropriate action.

After a month the task force of five attorneys  
ysts completed its report and  
ttorney General on January 11,  
d its voluminous appendices

involved the review of more than 200,000 documents from FBI headquarters and field office files and interviews of some 40 witnesses.

The review force concentrated first on the sufficiency and honesty of the FBI's investigation of the assassination of Dr. King. They concluded that a massively painstaking, thorough, and successful investigation had been conducted. They found no evidence of Bureau complicity in the murder. The only new evidence uncovered related to details which did not affect the ultimate conclusion that James Earl Ray was the properly convicted murderer. There was no evidence of conspiracy.

After reviewing the murder investigation the task force turned to the preassassination security investigation of Dr. King. All pertinent FBI files were examined. The review staff agreed that there may have been an arguable basis for the FBI to initiate a security check on Dr. King in 1962. King relied heavily on the advice of an advisor who was identified by the FBI as a ranking Communist Party member. But the task force concluded that the FBI's own reports in 1963 showed this advisor to have left the party; that King received no "party line" advice; and that King did nothing or said nothing indicating Communist influence. The task force concluded that the security check should have been terminated early in 1963, and should not have

continued until his death 5 years later. The Bureau's COINTELPRO-type harassment of Dr. King and efforts to drive him out of the civil rights movement were found to be clearly improper.

The task force report concluded that any criminal action against Bureau participants in the harassment campaign was time barred. No disciplinary action was recommended since the responsible officials are dead or retired.

The task force submitted recommendations for tighter supervision of the Bureau's domestic intelligence activities. They also proposed outright prohibition of COINTELPRO-type activities against domestic intelligence subjects.

#### Land and Natural Resources Division

Civil and criminal litigation concerning environmental pollution is conducted under the supervision of the Land and Natural Resources Division and its Pollution Control Section. Major statutes imposing civil

Significant enforcement cases during the years 1975-1977 included the following civil and criminal suits: NL Industries, Inc., United States Steel Corporation (Gary Works), and Reserve Mining Company (all civil cases under the FWPCA); Allied Chemical Corporation (Hopewell, Virginia) (criminal prosecution under the FWPCA); and Allied Chemical Corporation (Ashland, Kentucky) (criminal case under the Clean Air Act).

In the Reserve Mining case, \$837,500 was awarded in fines and penalties against the company; the court ordered a total elimination of the discharges into Lake Superior by 1980.

In the suit against Allied Chemical, one of the first major criminal cases completed under the FWPCA, penalties of \$13.2 million were imposed on Allied while lesser fines were entered against Life Science Products Company, the City of Hopewell, Virginia, and several individual defendants for the illegal discharges of kepone, a highly toxic chemical substance, into the James River. Allied's fine, by far the largest ever in a criminal pollution case, was reduced by \$8 million upon condition that an equal sum be spent to alleviate damages in Virginia occurring from the discharge into the air and water of the toxic substances.

The defendants in the kepone case were charged with 1,097 violations of the Refuse Act and the Federal Water Pollution Control Act. Allied Chemical Company's nolo contendere plea to 940 counts of violating the Refuse Act and the Federal Water Pollution Control Act was accepted over the Government's objection.

The civil suit against United States Steel Corporation for water pollution from its Gary, Indiana, works resulted in a consent decree whereby the corporation agreed to pay civil penalties of \$3.2 million and to install pollution control equipment. In the NL Industries case the company agreed to pay more than \$1 million in civil penalties and to install the best available control technology by 1980.

The District Court for the Eastern District of Kentucky imposed a fine of \$925,000 against Allied Chemical Corporation for violation of the Clean Air Act at its Ashland, Kentucky, coke plant.

The Government's case against Reserve Mining Company to halt the discharge of asbestos fibers into Lake Superior and the ambient air of Minnesota continued as the district court entered an order requiring a total

to obtain all applicable State and Federal permits. The company also is proceeding to install air pollution abatement equipment at its Silver Bay plant in compliance with court orders. Reserve Mining has been assessed fines and penalties for its continued discharge into the water and has been required to reimburse the Army Corps of Engineers for its expenses in providing interim filtration of drinking water for the Duluth area.

#### Tax Division

The Tax Division, through its Criminal Section, controls and supervises all cases involving criminal violations of the Internal Revenue Code. The Criminal Section currently consists of 52 attorneys, 8 in a supervisory capacity. The centralized control over criminal tax cases enables the Government to remain consistent as to the types of cases prosecuted, as well as to the legal positions it takes on various complex and difficult issues.

Criminal tax cases are initially investigated by the agents of the Intelligence Division of the Internal Revenue Service. If the Intelligence Division believes that a violation of the internal revenue laws has occurred, an investigative report and an exhibit file are submitted to the appropriate regional counsel of the Service for review. If the Service still

believes that a violation has occurred, then the matter is referred to the Tax Division's Criminal Section.

At the Criminal Section the attorneys analyze each case and make a detailed written recommendation to the Assistant Attorney General on whether prosecution is warranted and on what charges. In fiscal year 1976, 1,398 such criminal prosecution memorandums were prepared. Of these, 257 memorandums recommended that prosecution be declined. Projections from the first half of fiscal year 1977 indicate that the number of prosecution memorandums prepared will increase to 1,698 for the current fiscal year.

If the Tax Division authorizes prosecution in a particular case, then generally the report and exhibits are transmitted to the appropriate U.S. attorney. However, in certain special situations, the Tax Division will retain control over various cases multijurisdictional in scope, or containing issues vital to tax administration.

During fiscal year 1976, the Criminal Section expended approximately 45 percent of its available trial attorney manpower on field assignments. Based upon projections from the current fiscal year, it appears that the Criminal Section's manpower expended on field

assignments during fiscal 1977 will be significantly greater than during fiscal 1976.

In cooperation with the Department's antirackets drive, the Tax Division assigned experienced tax prosecutors to maintain liaison with each of the Criminal Division's strike forces in the major cities across the country. During fiscal 1976, 27 percent of all Criminal Section field time was devoted to the investigation and prosecution of organized crime tax cases. During the same time, the Tax Division's investigation and prosecution efforts against corporate and white-collar tax fraud increased by 30 percent.

During fiscal year 1976, the Division received 2,021 new criminal tax cases. By projecting from the first two quarters of fiscal 1977, the Division expects to receive 2,290 new criminal tax cases during the current fiscal year. As of the close of fiscal 1976, pending criminal tax cases, including those in the hands of the U.S. attorney and in the appellate courts, numbered 2,927. The Tax Division handled 161 criminal tax appeals during fiscal 1976.

In the prosecution of criminal tax cases in fiscal 1976, convictions were obtained by way of either plea or trial in 94 percent of all cases prosecuted. Of the 293 cases which went to trial in fiscal 1976,

convictions were achieved in 216, for a trial success rate of 73 percent. Preliminary figures for fiscal 1977 indicate that this success rate will be substantially maintained in the current fiscal year.

The Tax Division recently has become heavily involved in potential criminal tax violations by several major listed corporations with secret slush funds used for illegal purposes. Also, several major grand jury investigations are being conducted by the Criminal Section, such as a massive investigation into the use of offshore trusts for tax evasion.

In summary, the workload of the Tax Division has substantially increased during fiscal 1976 and fiscal 1977. The Internal Revenue Service is referring many more cases to the Division than it has in the past and U.S. attorneys and strike forces have been increasingly calling upon the Division for assistance in investigations, pretrial preparation, and trials.

#### FEDERAL BUREAU OF INVESTIGATION

As the principal investigative arm of the Department of Justice, the Federal Bureau of Investigation (FBI) investigates violations of Federal criminal statutes, civil matters in which the U.S. Government has an interest, provides information to the executive branch relating to national security, and aids other

law enforcement agencies, particularly at the State and local level.

The FBI has 59 field offices in the 50 States, Puerto Rico, the Virgin Islands, and Guam. At the end of fiscal year 1976, the Bureau's personnel complement stood at just under 20,000, including some 8,600 special agents.

### Investigative Activities

Fiscal years 1975 and 1976 saw an overall reduction in the number of investigations in progress. Reduced attention to marginal cases enabled the Bureau to concentrate on quality cases that held the promise of a significant impact on criminal activity. Principal targets included white-collar crime, organized crime, and counterintelligence matters.

### White-Collar Crime

The FBI has set a high priority on the investigation of white-collar crime such as fraud, bribery, embezzlement, antitrust, and conflict of interest. Because these investigations require considerable expertise, the FBI has instituted special training courses and seminars for its agents, assistant U.S. attorneys, and other Department of Justice attorneys who must prosecute these cases.

Approximately 14 percent of the FBI's total investigative manpower was committed during fiscal years 1975 and 1976 to combat white-collar crime.

The magnitude of the white-collar crime challenge is illustrated by the FBI's experience in bank fraud and embezzlement. In fiscal year 1975, there were 10,181 instances of shortages totaling \$189 million reported by financial institutions involving internal and consumer-related frauds. In fiscal year 1976 this rose to 11,071 cases, with losses increased to \$206 million. As fiscal year 1976 ended, 63 cases involving shortages of more than \$1 million each were under investigation, while 280 cases with reported shortages of from \$100,000 to \$1 million were pending.

#### Organized Crime

Convictions totaled 1,417 and 1,363 respectively for fiscal years 1975 and 1976. The value of confiscated cash, property, weapons, and gambling paraphernalia reached \$5.6 million in fiscal 1975, and \$7 million in fiscal 1976.

An important facet of the FBI's drive against organized crime was the dissemination to local, State, and other Federal agencies of criminal intelligence information developed during FBI investigations. In fiscal years 1975 and 1976, almost 750,000 items of

criminal data were disseminated. This contributed to more than 5,000 organized crime and narcotics-related arrests during the 2 fiscal years; the confiscation of more than \$50 million worth of illicit drugs; and seizure of cash, property, and wagering paraphernalia valued at about \$3.5 million.

#### General Criminal Matters

Many other Federal crimes are under the jurisdiction of the FBI. In each of the fiscal years, 94 convictions for Federal kidnaping violations were recorded. Reported violations of the Federal Bank Robbery and Incidental Crimes Statute totaled 5,050 and 4,511, respectively for the 2 years. More than 5,000 convictions resulted; sentences imposed totaled 52,146 years; and fines levied were in excess of \$217,000. FBI investigative activity enabled the recovery of more than \$13 million in bank loot.

A total of 64,609 FBI fugitives were located during fiscal years 1975 and 1976, including some 8,000 whose whereabouts were specifically requested by State or local authorities for violations of the Fugitive Felon Act.

Property recovered through interstate stolen property investigations during the 2 fiscal years was

valued well in excess of \$144 million. More than 3,100 convictions for interstate thefts resulted.

#### Foreign Counterintelligence

The FBI's foreign counterintelligence program, targeted against both overt and covert hostile intelligence-gathering operations, is conducted in strict accord with guidelines issued by the Attorney General, which became effective June 1, 1976.

The FBI's duties in foreign counterintelligence matters also involve investigations of international terrorists espousing the cause of foreign powers or elements. To facilitate its efforts against foreign-directed intelligence activities and terrorism, the FBI maintains liaison with other U.S. agencies and cooperating foreign police and security services.

#### Electronic Surveillance

The Omnibus Crime Control and Safe Streets Act of 1968 gave FBI and other Federal law enforcement agents a potent weapon by allowing them to intercept by electronic means conversations among suspected criminals, upon prior approval of the Attorney General and the issuance of an enabling order by a Federal judge. In calendar years 1975 and 1976, electronic surveillance yed a part in a total of 1,117 convictions. Fines

totaling nearly \$2.5 million were imposed upon those thus convicted.

#### Undercover Operations

Fiscal years 1975 and 1976 saw an increase in the use of agent personnel to penetrate underworld operations. A highly successful undercover fencing operation was one carried out in Washington, D.C., from August 1975 to February 1976. Dubbed "The Sting," the project was a joint effort by the FBI, the Washington, D.C., Metropolitan Police Department, the Bureau of Alcohol, Tobacco, and Firearms of the Treasury Department, and the Law Enforcement Assistance Administration. Arrest warrants were issued charging 180 persons with having sold stolen property to the undercover officers. As fiscal 1976 ended, some 50 individuals had been convicted, and stolen property valued at \$2.5 million had been recovered.

#### Cooperative Services

The FBI's services are always provided on a cost-free basis to local, State, and Federal agencies throughout the Nation. This includes training, forensic science, crime statistics, fingerprint identification, and the countrywide computer network known as the National Crime Information Center.

### Crime Resistance

The FBI, like other law enforcement agencies, has become increasingly convinced that community participation is needed to reduce crime. In July 1975, the FBI joined four local police departments and the Police Foundation in instituting pilot projects against a specific crime problem in each of the four communities. Each project consisted of two police officers and two FBI agents who got citizens to participate in low-cost, self-help community crime resistance action. Statistics confirm a reduction in the targeted crime problem in each pilot project community. Steps then were taken to disseminate these crime resistance techniques to law enforcement agencies, local governments, and chambers of commerce throughout the Nation.

By the close of fiscal year 1976, specially trained agents in each of the FBI's 59 field divisions were working with individual citizens, businesses, financial institutions, and Government agencies to target specific crime problems and achieve a reduction in the incidence of those crimes through the application of crime resistance tools and techniques.

### UNITED STATES ATTORNEYS

The U.S. attorney is the chief law enforcement representative of the Attorney General in each Federal

judicial district. As an arm of the Deputy Attorney General, the Executive Office for United States Attorneys supports and oversees the 94 U.S. attorneys' offices and maintains liaison between those offices and various other components of the Department of Justice, as well as other Government agencies.

By June 1976, the number of people employed in 149 staffed offices totaled 1,517 attorneys and 1,755 support personnel--an overall increase of 11 percent over the comparable June 1974 figures. There also was a jump of 34.3 percent in the number of civil cases filed, and a 1.3 percent increase in the number of criminal cases filed. This great increase in civil filings and the emphasis on termination of criminal cases, mandated by the Speedy Trial Act, resulted in a backlog of civil cases now increasing at a rate of 29 percent per year, despite the increase in personnel.

Funds budgeted to U.S. attorneys have increased as well. The \$89,712,000 budget for fiscal year 1976 was a 15 percent increase over the previous year.

#### Official Corruption--White-Collar Crime

Criminal prosecutions by U.S. attorneys during the past 2 years concentrated on white-collar crime cases. Emphasis was on official corruption and Government program fraud--the latter often in public assistance programs such as Food Stamps and Medicaid, as well as

student grant and loan programs. Also of major interest was the successful prosecution of persons engaged in fraudulent land sales.

Cases involving the abuse of power by public officials included a former Governor of Michigan convicted of perjury, and the Governor of Oklahoma, convicted of extortion and conspiracy 2 months after his term expired. State officials were convicted in Texas, Pennsylvania, New Mexico, Kentucky, Florida, Louisiana, New York, and Georgia on charges ranging from racketeering and extortion to tax evasion and perjury. Numerous State and local officials were convicted of payoff and kickback schemes. The prosecution of persons involved in "protection" activities resulted in convictions of numerous law enforcement officials at all levels of Government.

U.S. attorneys also aggressively prosecuted Medicare and Medicaid fraud. Over 40 medical professionals were indicted in the Eastern District of Pennsylvania. In New York, the owners of several million-dollar-a-year nursing home operations were convicted of submitting fraudulent claims. In possibly the largest single Medicaid investigation and prosecution to date, 5 physicians, 15 chiropractors, and 5 other defendants were convicted in connection with the operations of

eight clinics catering to Medicaid recipients; sentences ranged up to 5 years and civil penalties under the False Claims Act totaled over \$600,000.

In widely publicized land frauds, major convictions were obtained in Arizona and elsewhere, in connection with several multi-million dollar schemes to sell Arizona desert land to buyers throughout the United States.

#### Controlled Substances

To cope with the burgeoning narcotics caseload, U.S. attorneys in 19 key districts established Controlled Substances Units to deal exclusively with violations of Federal drug laws. While the total number of narcotics cases filed decreased slightly nationwide, many border districts continued to experience a great increase in such cases. Seven border districts accounted for more than half of all drug cases filed: central and southern California, southern and western Texas, southern Florida, Arizona, and southern New York. Record convictions, both in number of defendants and in amount of drugs involved, were common, as illegal drug traffic continued by land, sea, and air.

#### Environmental Litigation

The U.S. attorney in eastern Virginia obtained record convictions and fines in what was perhaps the

largest indictment ever returned in a pollution case. Allied Chemical Corporation entered a plea of nolo contendere to 940 violations of the Refuse Act for its discharge of the pesticide kepone into the James River, and was fined the maximum penalty of \$13,240,000, the largest criminal fine ever imposed in the United States. In addition, both officers of another company that produced kepone for Allied were fined \$25,000 each.

Other actions under the Refuse Act, the Federal Water Pollution Control Act, the Clean Air Act, the Federal Common Law of Nuisance, and the Rivers and Harbors Act were successfully prosecuted against violators who dumped oil, chemicals, trash, or sewage into the Nation's waters, polluted the air, or otherwise abused the environment.

#### Civil Litigation

In the civil area, U.S. attorneys are involved in numerous tort claim and civil fraud cases, actions filed against offices of the executive branch, Freedom of Information Act cases, and other civil matters. U.S. attorneys are charged with collecting criminal fines, civil judgments, prejudgment claims, forfeitures, penalties, and other such money owed the Federal Government. In fiscal years 1975 and 1976,

these collections totaled more than \$376 million, a figure well over the cost of operating all 94 U.S. attorneys' offices.

#### PARDON ATTORNEY

President Ford granted 106 pardons and 11 commutations of sentence during fiscal year 1976--including the transition quarter from July through September 1976--exercising the power the Constitution vests in the President to grant pardons.

In all, 742 new applications for executive clemency were received in fiscal year 1976; 445 were denied and 568 were pending at the end of September 1976.

The Constitution gives the President power to grant reprieves and pardons for all offenses against the United States except in impeachment cases. He has no authority in State cases. The exercise of the pardoning authority is not subject to review by the courts and may not be circumscribed by Congress. There is no appeal from a clemency decision.

The Attorney General advises the President on all matters concerning executive clemency. As a member of the Attorney General's staff, the Pardon Attorney reviews all petitions for clemency, initiates the necessary investigations, and prepares the Attorney General's recommendations to the President personally. This power

is not delegated to any other official or agency except that modification of prison sentences in military cases is performed by clemency boards within the military departments.

Pardon after completion of sentence is the most common form of clemency, and demonstrated good conduct for a significant period of time after release from confinement is a customary criterion.

#### UNITED STATES MARSHALS SERVICE

The United States Marshals Service is primarily responsible for supporting the Federal judiciary, protecting the integrity of the judicial process, and performing operational and administrative assignments for the Attorney General. The Service serves writs and summonses issued by congressional committees, governmental regulatory bodies, and Federal courts on behalf of the United States and private litigants. It maintains order during court sessions, congressional hearings, and meetings of other governmental agencies. It arrests, guards, and transports Federal prisoners. It provides security assistance to other Federal agencies. It seizes, protects, and sells real and personal property in accordance with orders of the court. It maintains the security of deliberating and sequestered juries. It collects and disburses Department of Justice

and judiciary funds. And, it protects Government witnesses whose lives may be in jeopardy. In recent years the workload and the accomplishments of the Marshals Service have sharply increased in all these diversified activities.

Each of the Service's 94 districts are uniformly organized. They are authorized 2,080 full-time positions, including 94 marshals, 94 chief deputy marshals, approximately 1,282 deputy U.S. marshals, 102 supervisory deputy U.S. marshals, and 498 administrative personnel. The Service is also authorized 250 intermittent deputy U.S. marshal positions.

#### Judicial Security

The Service is responsible for ensuring the security of judicial proceedings in 360 buildings housing U.S. courts as well as the personal safety of 855 judges and full-time magistrates, witnesses, jurors, and the 1,737 U.S. attorneys and trial assistants. Not a single Federal judicial officer was molested nor was any Federal trial proceeding suspended or substantially delayed because of tactics employed by radical or terrorist elements during the 2 fiscal years.

### Prisoner Movement

The United States Marshals Service has custody of Federal prisoners from the time of their arrest until the prisoners are delivered to a penal institution or released by the court. The Prisoner Coordination Section, General Operations Division, coordinates movement for all prisoners crossing judicial boundaries.

The Service handled 185,579 prisoners for fiscal year 1976 (July 1, 1975 through September 30, 1976) and transported approximately 50,000 to institutions to serve sentence or from institutions to appear in court.

The Service is in the process of conducting an air charter feasibility study on the movement of prisoners via air.

### Witness Security

The Witness Security Program was formally created under the Organized Crime Control Act of 1970. The responsibility for protecting and maintaining Government witnesses lies with the United States Marshals Service.

without loss of life or injury to a witness or deputy. The Witness Security Program has expanded at a rate of about 25 percent a year for the past 5 years.

A witness can receive protection for his lifetime, including a new identity, relocation to a new geographical area, subsistence payments, rental, medical care, movement of household goods, and assistance in finding employment if necessary.

#### Special Operations Group

The Special Operations Group is a highly trained, self-sufficient mobile force designed to provide a suitable Federal response short of military intervention to situations of national significance at the request of the Attorney General. In addition, this unit provides backup support for each of the Service's 94 districts. All members are subject to 24-hour call. Elements of this force can be deployed and fully operational at any point within the United States within 6 hours.

The American Indian Movement at Wounded Knee, South Dakota; trials in the Virgin Islands; labor unrest in West Virginia, and the eviction of squatters in Pennsylvania all led to action by the Special Operations Group.

### Process and Warrants

Since July 1, 1974, the United States Marshals Service has served a total of 2,755,100 pieces of process in support of the judicial system. Approximately 20,000 persons are arrested each year by the Marshals Service, especially for probation and parole violations and failure to appear in court.

### New Security Programs

To provide assistance to allied Federal agencies in the security field, the Service has conducted feasibility studies for such diversified organizations as the Nuclear Regulatory Commission and the Military Traffic Management Command. Presently, it is providing continual convoy security assistance to the U.S. Air Force in the movement of nuclear missiles and component weapons systems as part of the Minuteman Program in the north-central United States.

All of these programs performed by the U.S. marshals indicate the versatility of an organization created in 1789 that has grown to meet the changing needs of the Federal judiciary and the Attorney General.

### COMMUNITY RELATIONS SERVICE

The Community Relations Service (CRS) is a nonlitigative, nonenforcement arm of the Department of Justice which, through conciliation and mediation, helps

communities settle "disputes, disagreements, or difficulties . . . based on race, color, or national origin." Since the last report, CRS has intervened in more than 400 incidents between police and minorities. In most instances, intervention led to increased cooperation, with a positive effect on law enforcement and crime control.

In a score of these cases, the agency, with the parties' sanction, conducted formal negotiations that resulted in written agreements. CRS initiated this collective bargaining process 4 years ago to cope with the increasing specificity of issues raised in disputes. Invariably, it has led to the most far-reaching exploration of differences between police and minorities. The agency also mediated about 35 disputes in correctional institutions over the past 2 years, as well as internal conflicts between white and minority professionals in the criminal justice system.

Equally important is the assistance to Federal district courts dealing with school desegregation. At the request of courts, CRS has helped implement desegregation in 10 major cities over the last 2 years. The agency monitors the progress of desegregation and advises the courts on potential problems, occasionally taking on special assignments.

In addition, CRS assists school, police, and other officials with planning to avoid disruption and violence. The objective is to create a condition in which orderly implementation can take place.

Courts also referred corrections disputes to CRS and CRS has worked out several agreements relating to revenue sharing and employment discrimination disputes.

#### IMMIGRATION AND NATURALIZATION SERVICE

The Immigration and Naturalization Service administers and enforces the Nation's immigration and nationality laws. It supervises the admission, exclusion, detention, deportation, and naturalization of aliens. The increasing number of undocumented aliens in the United States has placed a renewed emphasis on the investigation of alleged violations as well as the need to patrol the borders to prevent illegal entries.

The Service investigates organized crime figures, narcotics and dangerous drug traffickers, smugglers of undocumented aliens and contraband, and subversives. The enforcement efforts are conducted by the Border Patrol and the Investigations Division augmented by the support functions of the Detention and Deportation Division. This includes the inspection of aliens at ports of entry and the maintenance of a central index

containing the names of all aliens admitted to or excluded or expelled from the United States.

People with criminal records and certain others are denied admission at the more than 400 ports of entry. During fiscal year 1976, more than 272 million inspections were conducted by INS personnel. Of this total, 840,871 were denied entry on various grounds but mainly for presenting fraudulent or inadequate documents.

The fiscal year expenditures for the INS enforcement programs during the past 3 years were as follows: fiscal year 1976, \$117,256,277; fiscal year 1975, \$104,437,713; and fiscal year 1974, \$86,927,536. Personnel involved in the INS enforcement activities during the same 3 fiscal years numbered 4,621 in fiscal year 1976; 4,175 in fiscal year 1975; and 4,123 in fiscal year 1974.

Border Patrol agents investigated 2,265,115 criminal immigration violations during fiscal years 1974, 1975, and 1976. Of this number, 2,155,898 were closed by waivers authorized by various U.S. attorneys. Of the 109,217 violations of the immigration and nationality laws presented to U.S. attorneys, prosecution was authorized in 49,632 cases with 45,217 defendants convicted. Sentences of 10,393 years and fines of

\$676,654 were suspended, leaving actual sentences of 7,285 years to be served and actual fines of \$2,055,243 to be paid.

#### Investigating the Status of Aliens

During fiscal years 1974 through 1976, INS investigators closed 615,414 cases. Of that total, 41,660 investigations involving criminal, immoral, and narcotics charges were completed, with 9,714 applications for orders to show cause in deportation proceedings issued, resulting in the formal deportation of 4,670 aliens.

At the close of fiscal year 1976, 14 representatives of INS were on the Department of Justice Organized Crime Strike Force operating in major cities throughout the United States. The Service also assists the Organized Crime and Racketeering Section, Criminal Division, Department of Justice, by moving against criminals and racketeers found to be subject to INS action. The results of more than 4,600 INS investigations of the immigration and citizenship status of

furnished to the organized crime section

ity programs under the antisub-  
activity of the Service are to  
pursue alleged Nazi war criminals.

An annual average of 1,866 investigations of possible subversives were completed during fiscal years 1974 through 1976. During the same period, Service investigators studied an average of 20,096 cases a year of possible fraudulent activities to circumvent immigration laws.

The Caribbean Investigations Coordination program and index is designed to deter the entry into the United States of Latin American aliens in the criminal, immoral, narcotic, and subversive categories. The index, now containing 220,825 references from the INS and other agencies, is accessible to all Government investigative agencies on a 24-hour basis. During fiscal years 1974 through 1976 more than 33,000 checks of the index resulted in the location of 1,894 records.

#### Border Patrol

During fiscal year 1976 the Border Patrol, which guards against illegal entrants, located 696,039 deportable aliens, 10 percent more than the number located 3 years earlier. During the past 3 fiscal years more than 1.9 million undocumented aliens were located by this uniformed enforcement body of the Service. More than 34,000 of those persons located during fiscal years 1974 through 1976 had previous criminal records.

Of the total 866,433 deportable aliens located by all Service officers during fiscal year 1976, 89 percent (773,460) entered the United States surreptitiously, not at ports of entry. Almost all, 99 percent, entered without inspection across the Mexican border. Electronic detection systems, 22 single-engine low flying aircraft, and two helicopters are used to spot illegal border crossers. During the 3-year period more than 126,400 deportable aliens were located by the Service's air arm.

The smuggling of aliens, particularly across the Mexican border, is one of the major problems confronting the Service. During fiscal year 1976, Border Patrol agents apprehended 82,910 aliens who had been smuggled into the United States, a 3 percent increase over the number located during fiscal year 1975. In addition, 8,074 smugglers of aliens were apprehended, a 40 percent increase over the previous year.

Service officers participated in the seizure of \$77.2 million worth of illicit drugs during fiscal year 1976. During fiscal years 1974 through 1976, almost 360 tons of marijuana were seized by INS officers in addition to a considerable amount of hard drugs and dangerous drug pills.

### Detention and Deportation

During fiscal years 1974 through 1976, approximately 2,209,909 aliens found to be illegally in the United States were expelled, the majority having been granted voluntary departure across the Mexican land border. During this same 3-year period, the number required to depart or formally deported included 688 violators of criminal laws, 19 who were found engaged in immoral activity, and 1,443 violators of narcotic laws.

### Service Indices

In addition to the Service's master index, which was created pursuant to section 290 of the Immigration and Nationality Act, various other indices exist within the Service to aid in the proper enforcement of immigration laws and to serve investigative agencies throughout the Government. The El Paso Intelligence Center (EPIC) houses the Service's Air Detail Office, which records cross-order flights by private aircraft thought to be engaged in smuggling. EPIC also houses the Fraudulent Document Center, a depository for false documents used by Mexican aliens, and the antismuggling information system for the Mexican border. The Canadian Border Anti-Smuggling Information Center (CBASIC) is located at Swanton, Vermont.

The Service lookout book is kept at all ports of entry to help detect undesirable aliens, as well as suspect U.S. citizens. As of May 1977, there were more than 61,000 names in this book, including 9,064 entries made at the request of the Federal Bureau of Investigation and 2,066 entries requested by other Federal agencies.

#### DRUG ENFORCEMENT ADMINISTRATION

The Drug Enforcement Administration was established July 1, 1973, and is charged with enforcement of Federal narcotics and dangerous drugs laws.

#### Domestic Enforcement Efforts

In cooperation with the U.S. attorneys offices throughout the United States, DEA utilizes conspiracy statutes to investigate and prosecute drug traffickers. DEA enforcement activities are carried out by 1,610 agents in 12 regional offices and 95 district offices in the United States. In addition, these domestic enforcement efforts are supplemented by special enforcement programs.

Central Tactical Units (CENTAC). Through these units staffed by special agents, DEA efforts have resulted in the indictment of over 163 suppliers, financiers, and drug traffickers, and over 121 distributors since July 1976.

State and local task force program. DEA operates 19 task forces in 14 States, currently being funded by the

Law Enforcement Assistance Administration. As of October 1, 1977, the task force program was to be funded by DEA directly. In these task forces State and local police officers and DEA agents operate as a single functional unit to maintain maximum enforcement pressure on drug violators.

Operation Janus. This joint United States/Mexico operation involves extraterritorial criminal jurisdiction. To June 1977, 65 cases were initiated in Mexico with evidence obtained in the United States. Some 135 Mexican-based suspects were selected as targets for this program, and 55 of the 135 were arrested by the Mexican Federal Police.

#### International Enforcement Efforts

Special agent manpower overseas is being reduced by DEA this fiscal year to 187 positions from the previous ceiling of 200. These agents along with 140 support personnel are assigned to 64 offices in 41 foreign countries.

Numerous seizures of opium, morphine base, heroin, cocaine, hashish, hashish oil, and marijuana have been made in various countries in liaison with DEA and its predecessor agencies. DEA has developed joint programs with counterpart drug law enforcement agencies in more than 65 countries. More than 19,500 pounds of opium, 560 pounds of morphine base, and 650 pounds of heroin were confiscated

during calendar year 1976 by these cooperative efforts of police and DEA special agents in foreign countries.

Additionally, through the Mexican Eradication Program (Operation TRIZO) which is in its third successful year, 17,964 acres of opium poppies were destroyed.

#### Office of Intelligence

DEA's Office of Intelligence serves both the tactical needs of enforcement agencies and the strategic requirements of national policymakers. It provides continuous tactical and operational intelligence; improved liaison and exchange with Federal, State, and local agencies; and a national narcotic intelligence capability at the Federal level.

DEA also has launched several multiagency efforts in information sharing by drug law enforcement agencies, including Customs, Immigration and Naturalization Service, Coast Guard, Federal Aviation Administration, and Bureau of Alcohol, Tobacco and Firearms. Multiagency efforts include the El Paso Intelligence Center (EPIC); Interagency Drug Intelligence Group-Mexico (IDIG-M); Field Intelligence Exchange Group (FIEG), currently operational in Chicago and Miami; and the Asian Heroin Working Group (AHWG).

During 1976, the Office of Intelligence distributed 341 analyses of drug networks and 1,735 biographic profiles of traffickers, and identified 24,125 potential violators

in illicit drug traffic for Federal, State, and local enforcement authorities.

### Science and Technology

The Office of Science and Technology provides scientific support and conducts research directly related to the DEA law enforcement, intelligence, and regulatory functions. Its staff of 260 includes chemists, special agents, engineers, psychologists, biologists, and other specialists.

During fiscal year 1976, the number of research and development projects increased in scope with the development of sophisticated tracking systems, covert detection devices, and communications devices. As an example, the Multispectral Opium Poppy Sensor (MOPS) was used operationally in Mexico to locate clandestine opium poppy fields and to verify their destruction.

The Forensic Sciences Division administers eight laboratories which analyzed 36,400 exhibits in 255,000 examinations related to drug investigations. The Technical Operations program effectively deploys specialized technical and communications equipment such as tracking devices for agent surveillance of covert air operations.

### Compliance

Under the Comprehensive Drug Abuse Prevention and Control Act of 1970, DEA monitors the flow of legitimate

controlled substances through the pharmaceutical industry's distribution chain. In fiscal year 1975, DEA registered approximately 515,900 handlers of controlled substances and approximately 530,000 during fiscal year 1976.

Utilizing approximately 180 compliance investigators, DEA conducted 2,140 regulatory investigations during fiscal year 1975, while in fiscal year 1976 (excluding the transitional quarter) compliance investigators conducted 1,690 regulatory investigations. In fiscal year 1975, 1,232 import/export declarations were reviewed and processed, while approximately 1,752 import/export declarations were reviewed and processed in fiscal year 1976.

In addition, during fiscal years 1975 and 1976, 12 substances were brought under control of the Controlled Substances Act by final orders published in the Federal Register.

The Drug Abuse Warning Network, monitored by this office, is a nationwide system with approximately 1,000 facilities established to identify drugs being abused and/or harmful to the individual and to determine patterns of drug abuse and changing trends. In fiscal year 1975, 1,288 respondents generated approximately 258,905 abuse episodes and in fiscal year 1976, 1,005 respondents generated approximately 202,065 abuse episodes.

### National Training Institute

The Drug Enforcement Administration's National Training Institute provides both basic and advanced training in direct drug law enforcement skills, management and training of drug units to its own and other Federal, State, local, and foreign law enforcement officials. Its programs include intensive field training in enforcement techniques; compliance investigator training for auditing registrants under the Controlled Substances Act; a 4-week course for intelligence analysts, and a 3-week course on drug intelligence collections.

From fiscal year 1969 through the first half of fiscal year 1977 approximately 5,600 DEA employees were trained in such widely divergent subjects as foreign languages, advanced investigative skills, EEO, mid-management, aviation, emergency medical treatment, conspiracy investigations, firearms instruction, and technical, clerical, and chemical programs. DEA's National Training Institute also continues intensive training for law enforcement officers from other Federal, State, and local agencies as well as foreign governments. Almost 40,000 non-DEA law enforcement officers have been trained since fiscal year 1969.

### PAROLE COMMISSION

The U.S. Parole Commission was established by the Parole Commission and Reorganization Act of 1976. It

replaced the Board of Parole created by Congress in 1930. The Commission is an independent agency in the Department of Justice created to carry out a national parole policy.

The Commission is also responsible for special hearings and decisions about employment restrictions applicable to individual ex-offenders and under the 1976 act carries out research tasks related to parole.

Pursuant to the 1976 act, the Commission is empowered to: grant or deny an application or recommendation for parole; impose reasonable parole conditions; modify or revoke a parole order; and request probation officers and other individuals, organizations, and public or private agencies to do what the Commission deems necessary for proper supervision of and assistance to any parolees.

The Commission has five regional offices. Hearing examiners conduct parole hearings of Federal prisoners in Federal and State prisons. The hearing summary and recommendations are then reviewed by the regional administrative hearing officer and the regional commissioner. If dissatisfied with the decision, an inmate can appeal to the regional commissioner for reconsideration and then can further appeal to the three-member National Appeals Board in Washington. All parole proceedings are conducted in accordance with the regulations and guidelines promulgated by the U.S. Parole Commission.

Since 1972, efforts have been made to reduce the uncertainty in parole release dates through guidelines developed for them. In May 1976, the Commission began experimentally informing prisoners in the western region early in their terms of prospective parole dates--contingent upon good conduct. A similar joint effort with the Bureau of Prisons also was begun last year at the Butner facility in North Carolina.

The limited results to date are very encouraging, and the Parole Commission recently proposed regulations for informing most prisoners of presumptive release dates, contingent upon good behavior, within 4 months of their arrival at Federal prisons.

The Commission considered 24,726 cases between October 1975 and September 1976, 1,312 less than in previous years. In addition, there were 4,092 appeals at the regional level in the latter year. The total number of paroles granted for the 1975-1976 period was 6,404, a decrease of 2,482 from a year earlier.

#### BUREAU OF PRISONS

Persons convicted of Federal crimes and sentenced to incarceration are put in the custody of the Bureau of Prisons. The Bureau, established in 1930, was charged by the Congress to be "responsible for the safekeeping, care, protection, instruction, and discipline of all persons charged

or convicted of offenses against the United States." To do this, the Bureau has 38 correctional institutions ranging from penitentiaries to minimum security camps, plus 15 community treatment centers.

#### Inmate Population

The Federal inmate population increased from 23,690 on June 30, 1974, to an alltime high of 30,400 by August 31, 1977, a rise of nearly 28 percent, the largest increase for a comparable period in the Bureau's 47-year history, both percentagewise and in absolute numbers. The inmate population also was 32 percent above the system's physical capacity by August 31, 1977.

#### New Facilities

New Federal Correctional Institutions at Butner, North Carolina, and Miami, Florida, and the Metropolitan Correctional Center at Chicago were opened during 1976. Another Federal Correctional Institution was opened in Memphis, Tennessee, in April 1977.

Housing 425 inmates, Butner is in reality two institutions in one--mental health and correctional. The mental health component provides diagnosis and treatment for offenders with serious emotional problems and for court-referred study cases.

The correctional component houses repeat offenders, who, while required to work, may select their own institutional programs such as education and counseling. This program is designed to test the theory that inmate participation in correctional programs must be voluntary if such programs are to do any good in changing behavior. A research team from the University of North Carolina will evaluate the program.

The Federal Correctional Institution at Miami accommodates 300 male inmates aged 24 and under. Like Butner it is contemporary in appearance and has a full range of modern correctional programs, including education, vocational training, and counseling.

The Metropolitan Correctional Center in downtown Chicago is a 26-story building housing up to 500 persons awaiting trial or serving short Federal sentences. Like its predecessors in New York and San Diego, the Chicago MCC resembles an office building to demonstrate that incarceration for individuals awaiting trial can be secure without old-fashioned jails and at less cost to the taxpayer.

Still another Federal institution is scheduled to open at Bastrop, Texas, in 1978, while three more are being designed and built at Lake Placid and Otisville, New York, and Talladega, Alabama.

### National Institute of Corrections

The National Institute of Corrections was established by the Juvenile Justice and Delinquency Prevention Act of 1974 and attached to the Bureau of Prisons. It provides technical assistance and training for State, local, and other correctional personnel.

A 16-member panel of Government officials and private citizens governs the NIC which also carries out correctional research and evaluation programs, serves as a clearinghouse and information center, helps improve corrections programs at State, local, and Federal levels, and helps establish correctional policy, goals, and standards.

Four primary funding targets selected by the Institute in 1976 were: staff development, jail operations and programs, field services, and screening and classification of inmates. The NIC budget for fiscal 1977 includes \$4 million for program grants.

### Equal Employment Opportunity

Women were barred as correctional officers in all-male institutions until recently, but in January 1976, the Bureau set a goal of 10 percent of all correctional officer jobs to be held by women except in the major penitentiaries. By June 30, 1977, the number of female officers rose to 316, or 8.4 percent of all correctional officers. Women then also accounted for 15.8 percent of all employees,

compared to 13.6 percent at the end of fiscal 1975 and 9.8 percent in 1970.

Minorities in the work force stood at 18 percent, June 30, 1977, compared to 16.9 percent in 1976, 15.3 percent at the end of 1975, and 6.6 percent in 1970.

### Staff Training

Training opportunities were significantly increased with the opening of a third residential Staff Training Center in Denver in 1976. The older centers at Dallas and Atlanta and the new Denver facility permit the training of 2,700 Bureau employees a year.

### Liberalized Rules

In 1976, the Bureau adopted a new policy permitting news persons to interview any inmate in its custody provided the inmate is willing. The Bureau also changed policies to allow inmates to write for outside publication and receive incoming publications.

### Community Programs

During the 15-month period ending September 30, 1976, the Bureau granted 22,391 furloughs, lasting 3 to 7 days, to help ease the transition of inmates back into normal society as their sentences drew to a close. The Bureau's Office of Research reported that only one of 100 such furloughs resulted in failure--escape or rearrest.

A new policy permits selected inmates to participate in community activities sponsored by the Jaycees, churches, and other groups.

The use of community treatment centers or halfway houses, where inmates serve out the last part of their sentences while reestablishing community ties, also was expanded. Today more than 43 percent of all releasees are being transferred to halfway houses compared to 30 percent the previous year.

#### Other Highlights

The Bureau ended the use of Federal inmates in medical experimentations during 1976. Religious services, education, vocational training, medical care, counseling, and recreation were expanded. During fiscal 1976 and the transitional quarter, 16,200 individual inmates completed 27,611 formal education courses ranging from basic to college level.

In addition to regular medical, dental, and psychiatric and psychological services, the Bureau conducts drug abuse treatment programs at 17 institutions for addicted inmates. Some 3,156 inmates participated in these programs during the 15-month period. An additional 255 were enrolled in alcoholic abuse treatment units at three institutions.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

The Law Enforcement Assistance Administration entered its ninth year with LEAA-initiated or sponsored criminal justice programs around the Nation showing some positive results.

LEAA, created under the Omnibus Crime Control and Safe Streets Act of 1968, was Congress' answer to burgeoning State and local crime problems of that period, and has been responsible for helping State and local governments improve their criminal justice systems since. Also, the agency has coordinated all Federal juvenile justice and delinquency prevention programs and administered the new Public Safety Officers' Benefits Act.

During the past 2 years, LEAA has funded improvements in almost every type of criminal justice activity. This was done through planning and action grants plus technical assistance to State and local governments. LEAA funding also supported research in law enforcement and criminal justice, educational assistance for those in, or planning to enter, criminal justice careers, and new national programs such as criminal justice statistics and systems analysis.

LEAA funding represents less than 5 percent of total State and local criminal justice expenditures.

The overall LEAA budget for fiscal year 1977 was \$753 million compared to \$809.64 million for fiscal year 1976

and \$204.96 million for the transition quarter. The fiscal year 1977 total is \$142 million less than LEAA's peak budget year, fiscal year 1975.

The bulk of LEAA funding, \$536 million in fiscal year 1976, is distributed through block grants with the amounts based on State populations. This money is used as each State deems fit under a comprehensive plan and finances planning and action programs including corrections and juvenile justice and delinquency prevention.

Another large part of the funding is distributed through discretionary grants which are for programs not funded through State plans, and are of national scope and/or involve several States or jurisdictions. About \$154.7 million of the fiscal year 1976 budget came under discretionary funding.

The remainder of the funds support educational, training, evaluation, research, and development. About 3 percent of the budget goes for administrative costs.

The key LEAA contribution to the Nation's criminal justice and law enforcement system is the many innovative and experimental criminal justice programs that simply would not exist today were it not for LEAA funding.

These successful programs, once their effectiveness has been proven, are being implemented in other areas throughout the Nation. More often than not, when LEAA "seed money" runs out, State and local funding keep the

programs going while other jurisdictions support similar programs with their own funds.

LEAA's 10 regional offices were responsible for approving, awarding, monitoring, evaluating, and terminating grants subject to the policy direction and guidelines issued by the administrator.

In fiscal year 1976, the regional offices awarded \$490 million in block grants and \$140 million in discretionary grants; in fiscal year 1977 the figures were \$313 million and \$26 million respectively. At the end of fiscal year 1977, however, the regional offices were ordered closed and their personnel and functions transferred to Washington and to audit offices in Atlanta, Sacramento, Denver, and Chicago.

Highlighting regional office operations during the past 2 years was the establishment of a Career Criminal Program for speedy identification and trial of habitual offenders. LEAA funding started the program in 20 cities, and others have done so on their own. Conviction rates average 95 percent, and some cities have registered sharp drops in crime. New Orleans, for example, had an 8 percent drop in the crime rate for the first quarter of 1976 with the program.

Other highlights included the "Sting" antifencing campaign (about \$32 million in stolen property recovered from \$810,000 in "buy" money and 1,101 arrested with 95 percent

pleading guilty); supporting services provided to approximately 800,000 victims of crime under LEAA-funded programs; and the continued local establishment of criminal justice standards and goals with 35 States completing the analyses of their criminal justice systems and designing processes for standards and goals development.

The ongoing Treatment Alternatives to Street Crime (TASC) program highlighted efforts in the corrections area. TASC has been placing about 1,000 drug offenders per month into treatment programs with more than 30,000 such offender having participated in 53 TASC programs since its start in 1972, relieving to that extent overcrowded conditions in the criminal justice system.

Experimental restitution projects and the development of standards for medical care and health services, probation, parole, adult institutions, and jails were other highlights while some 177 Indian tribes out of a total of 354 already have assumed responsibility for criminal justice and participate in LEAA programs as local government units.

Greatly expanded use of the Prosecution Management Information System (PROMIS) highlighted efforts of the National Criminal Justice Information and Statistics Service. PROMIS, an automated information system, became operational in 13 city, county, and State jurisdictions and was in various stages of completion in 45 others.

An LEAA-supported effort to upgrade the National Law Enforcement Telecommunications System (NLETS) was completed in 1977. NLETS, a State-sponsored and operated network, replaced low-speed, often backlogged teletypes with an efficient, high-speed data system. At the same time LEAA established regulations to safeguard the confidentiality of research and statistical data to ensure the privacy and security of criminal history in LEAA-funded systems.

New insight into crime and its victims was being gained through an ongoing National Victimization Survey while a nationwide judicial statistical series focusing on caseload also was under way.

The Information Systems Division under the Office of the Comptroller improved the operation of the PROFILE system to obtain information on grants, subgrants, State comprehensive plans, and the Law Enforcement Education Program.

The National Institute of Law Enforcement and Criminal Justice, LEAA's research branch, ran studies on police response times and criminal investigative procedures, the results of which raised questions regarding the validity of the traditional allocation of police manpower, use of police communications, command and control systems, and the promptness of the public in reporting crime.

The Institute also is funding evaluations on the deterrent effect of mandatory sentences, the inequities of indeterminate sentencing, and proposals for either the elimination of paroles or various reforms in the parole system.

One Institute project showed that simple techniques for jury management could reduce the juror pool in a typical jurisdiction by 20 to 25 percent while still maintaining adequate coverage. It found alternatives such as citizen dispute settlement programs and neighborhood justice centers could relieve court case-loads resulting from conventional adjudication.

In equipment research, an Institute-developed bulletproof vest was being field tested in 15 cities. To date the vest is credited with saving the lives of three officers and preventing serious injury to 10 others.

LEAA continued its emphasis on education for criminal justice personnel, mainly through the Law Enforcement Education Program (LEEP). Some \$40 million was appropriated for each of the 2 years to help pay education costs for 80,000 students annually, 90 percent of whom were employed full-time in criminal justice work or teaching.

The Office of Juvenile Justice and Delinquency Prevention, created by an act of the same name in 1974,

coordinated all Federal programs in this area. Through fiscal year 1977, the Office awarded a total of \$117.7 million in discretionary grants. The National Institute of Juvenile Justice and Delinquency Prevention conducted research and evaluation of the programs, developed standards, provided training, and served as a center for the collection and dissemination of information.

A new responsibility for LEAA is the administration of the Public Safety Officers' Benefits Act of 1976. In May 1977, the first 25 awards totaling \$1.25 million went to the survivors of policemen, fire fighters, and other public safety officials who died as a result of injuries received while on duty. Some \$15 million have been appropriated for PSOB benefits (\$50,000 for survivors of each deceased) for fiscal year 1977.

As mandated by Congress, the LEAA provided aid to both governmental and international agencies in the fight against terrorism, skyjacking, and narcotics smuggling. Technical assistance funding for this purpose amounted to \$742,000 in fiscal year 1976 and \$880,000 in fiscal year 1977 under LEAA's Office of Operations Support.

The National Advisory Committee on Criminal Justice Standards and Goals, which was funded by LEAA, released a series of reports containing standards and goals for

research and development, organized crime, terrorism and disorders, private security, and juvenile delinquency.

## DEPARTMENT OF LABOR

The Department of Labor is primarily responsible for administering and enforcing statutes promoting the welfare of wage earners, improving their working conditions, and advancing their opportunities for more profitable employment. Three of its offices have functions related to Federal law enforcement and criminal justice activities.

### LABOR MANAGEMENT SERVICES ADMINISTRATION (LMSA)

The Labor-Management Reporting and Disclosure Act and the Employee Retirement Income Security Act in part authorized public disclosure of certain union, retirement, health, and welfare plans. They also carry criminal penalties for confidential repayments to union officials and falsification of records and reports required by the acts. LMSA conducts desk and field audits regularly, initiating investigations when necessary and referring some cases to the Department of Justice for criminal prosecution.

LMSA also deals with the infiltration of organized crime into labor unions through its participation in 12 organized crime strike forces across the country. LMSA requires annual financial reports from all labor unions,

Embezzlement, unlawful payment of fines by an employer, prohibition against individuals holding union office, extortionate picketing, and deprivation of rights by acts of violence are referred by the LMSA and the FBI to the Department of Justice for prosecution.

#### Audits and Investigations

LMSA investigates union financial reports when audits or other information indicate the Labor-Management Reporting and Disclosure Act has been violated. During the period October 1, 1975 through September 1977, 5,220 audits were conducted and 17,369 field investigations were closed, including 475 involving union elections.

#### Organized Crime

LMSA, in the Federal fight against organized crime, staffs the 12 Department of Justice strike forces with compliance officers. They investigate individuals known or suspected of having crime syndicate connections. From October 1, 1975 through September 1977, 26 indictments were obtained against 49 persons in cases investigated by LMSA officers. They resulted in 37 convictions.

#### EMPLOYMENT AND TRAINING ADMINISTRATION

Offender rehabilitation. Under the Comprehensive Employment and Training Act (CETA), the Department of Labor provides employment and training services to offenders at

each stage of the criminal justice system--pretrial, probation, incarceration, parole, and post-release.

Also under CETA the bulk of the decision-making responsibility in the operation of all employment and training programs was shifted from the national and regional offices of the Department of Labor to State and local government units, which are the programs' prime sponsors. The States and localities now determine the manpower needs of their areas and allocate resources to meet them.

CETA also provides additional services to special groups, such as offenders, older workers, youths, and persons of limited English-speaking ability. This led to the offender rehabilitation program giving top priority to encouraging the more than 400 CETA prime sponsors at the State and local levels to provide employment and training services to offenders and to integrate the Employment and Training Administration's experience in offender rehabilitation into State and local manpower systems.

As a result, the Department of Labor's offender rehabilitation program since fiscal year 1974 has emphasized model development and demonstration programs to encourage and assist CETA prime movers to provide assistance and employability services to offenders.

Research and Development. The Office of Research and Development continues to encourage and support studies and

projects providing services to offenders. The two major areas of concentration have been pretrial intervention projects and mutual agreement programing projects. Pre-trial intervention projects provide employability services to persons following arrest, but before trial. Court systems where such projects were first developed have continued these programs after research and development funding ceased, and pretrial intervention has been expanded into many communities.

Mutual Agreement Programing essentially reduces some of the uncertainty of parole release dates and provides better coordination between inmate training and eventual release. The two major features of this programing in the correctional area have been supported employment and temporary transitional financial assistance for former prisoners. The initial supported employment project was located in New York City and was highly successful in rehabilitating ex-addicts. It has been expanded to 15 other areas. The financial assistance concept has been expanded to two additional States, Georgia and Texas, for broader testing and evaluation of its effectiveness in reducing rearrests and enhancing reentry into the labor force.

#### EMPLOYMENT STANDARDS ADMINISTRATION

The Office of Workers' Compensation Programs (OWCP), administers compensation benefits to non-Federal law

enforcement officers who are injured, sustain disease, or are killed under circumstances involving a Federal crime. However, OWCP payments are deducted from the amount due survivors under the Public Safety Officers' Benefits Act of 1976.

To date, 316 State or local law enforcement officers, or beneficiaries, have received compensation benefits totaling \$1,714,560 per annum.



NATIONAL LABOR RELATIONS BOARD

Bribe offers, fraud, false statements, and similar criminal actions that may be associated with labor matters are referred by the National Labor Relations Board (NLRB) to the Department of Justice or to U.S. attorneys for appropriate disposition.

From October 1975 through September 1977, 22 cases of suspected criminal activities were so referred by the NLRB. The agency instituted two criminal contempt actions: one for failure to comply with a court judgment enforcing a Board order, and the other for violation of a court injunction secured by the general counsel of NLRB.

Background

The National Labor Relations Board is an independent agency created by the National Labor Relations Act of 1935.

It is a quasi-judicial agency with two principal functions--to investigate questions concerning employee union representation and to resolve them through elections, and to investigate and prosecute unfair labor practice charges brought against employers and unions.

Each of the five members of the Board serves a 5-year term. Headquarters are in Washington, D.C., and field operations are carried out through 31 regional offices.

### Compliance Proceedings

The general counsel, appointed by the President and approved by the Senate for a 4-year term, is responsible for handling injunction proceedings and for obtaining compliance with Board rulings.

When Board orders are overlooked or ignored, the general counsel may file applications for court enforcement. If a court judgment enforcing a Board order is not complied with, the Board may seek civil or criminal contempt citations. Civil citations are more frequently used.

### Criminal Activities

When it uncovers actual or potential criminal activities during its hearings and investigations, NLRB contacts the appropriate Federal, State, or local law enforcement agency.

NATIONAL SCIENCE FOUNDATION

The National Science Foundation was established by the National Science Foundation Act of 1950 and was given additional authority by the National Defense Education Act of 1958.

The Foundation supports basic and applied research with grants and contracts. There are two programs within the Foundation that support research relating to the legal system: the Law, Science, and Technology Program in the Applied Research Directorate and the Law and Social Sciences Program in the Basic Research Directorate for Biological and Behavioral Sciences.

The Law, Science, and Technology Program supports research on increasing productivity and efficiency in the delivery of legal services, primarily civil legal services. Procedural, organizational, and technological strategies are investigated.

The basic research program emphasizes studies in non-criminal law.

Some projects which may be of interest include:

Police--A study of the effectiveness and efficiency of alternative organizational strategies for delivering police services.

Courts--A guide to court scheduling, especially with reference to the use of computers.

--Two studies on the linguistic aspects of jury instructions.

--A study of the policy implications of increased unionization of court personnel.

Lawyers--Two studies on the increased use of legal services and the attendant effects of prepaid and group legal insurance plans.

The Legal System--A descriptive model of the number of people and amount of resources involved in the legal service system in the United States.

Legal History--Three studies in quantitative legal history dealing with criminal justice.

U.S. POSTAL SERVICE

Inspection Service

The U.S. Postal Service, through its inspection service, is responsible for protecting the U.S. mails and mail systems. To carry out this mission, the Inspection Service investigates and enforces some 85 postal-related Federal statutes relating to the U.S. Postal Service; protects mail, postal funds, and property; and conducts internal audits of all Postal Service financial and nonfinancial operations.

The Inspection Service is organized into a headquarters in Washington, D.C., 5 regions, and 19 field divisions. Approximately 5,500 postal employees work within the Inspection Service, of which 1,709 are Postal Inspectors, 152 Special Investigators, and 2,612 Security Police Officers.

Postal Inspectors and Special Investigators are the investigative agents, and the uniformed Security Police Officers make up the protective and preventive force for the Inspection Service. Inspection Service personnel are assigned to all 50 States, the District of Columbia, and Puerto Rico.

During the period October 1975 through September 1977, Postal Inspectors obtained 36,490 convictions for postal-related crimes. These crimes included post office

burglaries, robberies, theft of mail, embezzlement of funds, mail fraud, assaults against employees, pornography, and other violations of postal Federal criminal statutes.

Aggressive investigations, criminal convictions, and implementation of a postal facility burglary prevention program kept losses during the period October 1, 1975 through June 30, 1977 down to \$685,537. This compares with burglary losses by the Postal Service in excess of \$3.2 million in fiscal year 1970. During the 1975-77 period, Postal Inspectors recovered \$478,577 in stamps, food coupons, and cash.

Investigations of letter and parcel bomb mailings continued to receive high priority by Inspection Service personnel. Since October 1975, there were 814 incidents investigated involving mail matter, threats, and placement of bombs or hoax bombs. Prosecution and conviction of 119 persons were obtained during this period in bomb-related cases.

Investigations of white-collar crime under the Mail Fraud Statute have contributed to the national consumer protection effort. Postal Inspectors investigated 375,000 mail fraud complaints since October 1975. These investigations resulted in the discontinuance of 4,458 fraudulent promotions, representing a potential savings to the public in excess of \$350,138,173. Additionally, 3,070 persons were convicted of violating the Mail Fraud Statute.

Mail order misrepresentation complaints under the False Representation Statute are submitted to the U.S. Postal Service Law Department. Complaints resulted in 123 mail stop orders since October 1975, due to false advertisement representations. Also, 164 consent agreements to discontinue false advertising for which mail stop orders had been sought, were accepted during this same period.

Postal Inspectors made 114 arrests and obtained 117 convictions for violations of obscenity statutes since October 1, 1975. Postal Service customer complaints concerning unsolicited sexually oriented advertisements and material have fallen to approximately 31,000 complaints per fiscal year, compared to a record 284,000 complaints in 1970, the year before enforcement of the Sexually Oriented Advertisement Statute.

Investigations involving shipment by mail of illicit drugs resulted in 943 arrests and 843 convictions. The majority of the illicit drug investigations resulted from discoveries by U.S. Customs personnel during the examination of incoming international mail.

From October 1, 1975, through September 30, 1977, 498 Postal Service robberies were reported. Postal Inspectors arrested 355 persons and obtained 323 convictions during this period for robberies committed against Postal Service installations and carriers.

An increasing number of armed robberies of mail carriers has led to countermeasures by the Inspection Service. These include employee orientation; encouraging postal customers to report suspicious persons and circulating reward posters; coordinating check distribution dates with issuing agencies; and patrolling streets in high-risk areas as warranted.

Bullet-resistant counterlines also have been installed in 133 high-risk facilities. No successful holdup has occurred at postal facilities where such counterlines are installed.

The uniformed U.S. Postal Security Force was established in 1971, and today its personnel are deployed at 124 major postal facilities. As an example of their effectiveness, registered mail losses at major airports during 1967 through 1970 amounted to \$70 million; however, since Security Police Officers have been utilized as armed escorts for registered mail between postal facilities and aircarriers, these losses have been virtually eliminated.

SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission was created under authority of the Securities Exchange Act of 1934 to regulate the securities exchanges and over-the-counter markets, prevent inequitable and unfair practices on such exchanges and markets, and generally protect public investors.

The SEC issues rules and regulations governing financial activities in the United States and assures compliance through an aggressive enforcement program, including extensive investigative activity into all aspects of the financial community. These investigations may be followed by civil injunctive actions, administrative proceedings, and referrals to the Department of Justice for criminal prosecution.

Management Fraud

The Commission gives very high priority to investigations of management fraud--the undisclosed use of the funds of public companies for questionable or illegal corporate political contributions, commercial bribery, and other such activities. False and misleading entries on the books and records of the company are very often involved, with, in many instances, the knowing participation of top management.

Beginning in 1973, as a result of the work of the Office of the Watergate Special Prosecutor, the Commission became aware of the increasing use of corporate funds for illegal domestic political contributions. Subsequent Commission investigations revealed that undisclosed questionable or illegal corporate payments--both domestic and foreign--were indeed widespread and a serious breach of the Commission's system of corporate disclosure and, correspondingly, harmful to public confidence in the integrity of the system of capital formation. To date the Commission has filed more than 30 civil injunctive actions in this area, obtaining not only injunctions prohibiting further violations of the Federal securities laws, but court-ordered internal investigations by special committees, generally composed of outside directors. Also, over 300 public companies made disclosures of past activities of this type in their public filings with the Commission.

#### Organized Crime

The Commission also gives high priority to the investigation of organized crime. Liaison is maintained with the Organized Crime and Racketeering Section, Criminal Division, Department of Justice, and with Federal and State agencies.

The Commission's organized crime section has 16 professionals and 4 clerical workers. Of these, 5 enforcement

personnel are assigned to the Department of Justice's Organized Crime Strike Force activities.

When enforcement action appears appropriate, the Commission may institute injunctive actions in appropriate United States district courts, or it may refer the matter to the Department of Justice for criminal prosecution.

The Commission may initiate administrative proceedings which could result in a Commission order imposing remedial sanctions on the persons involved. When appropriate, the Commission also may refer cases to State or local enforcement agencies or to industry self-regulatory organizations.

To increase the impact of its enforcement of the Federal securities laws, the Commission regularly conducts training seminars at its headquarters and regional offices and regional seminars in financial centers nationwide.

Since the Commission's work encompasses many administrative and civil proceedings, there is no breakdown on expenditures specifically in the criminal law enforcement areas.

The Commission publishes quarterly a Securities Violations Bulletin that indexes the names of individuals implicated in any public action related to securities violations on the Federal, State, or local level.



### SMALL BUSINESS ADMINISTRATION

The Small Business Administration makes loans and/or guarantees loans to small business concerns, State and local development companies, and to victims of floods and other disasters. Additionally, the agency licenses and funds in large measure approximately 350 small business investment companies, which in turn, make loans to, and purchase equity positions in small businesses.

Statutory authority for SBA law enforcement activities lies principally in the Small Business Act, the Small Business Investment Act of 1958, title IV of the Economic Opportunity Act of 1964, and the Small Business Protection Act of 1967.

#### Monitoring SBA Activities

SBA loan and assistance programs are monitored continually to assure compliance with agency regulations, determine the level of compliance with the contracts or agreements, and to ascertain that loan proceeds or other assistance are used in accordance with the loan authorization. Each of the licensed small business investment companies is examined once each year, and may be further investigated by the SBA. Investigation of all SBA activities, including personnel, are made on a complaint basis.

Investigations involving fraud, bribery, or manipulation of collateral are coordinated with other Federal agencies. The SBA is empowered to issue subpoenas in conducting its investigations.

#### Name Checks and Referrals

During fiscal year 1975, the SBA Office of Security and Investigations checked 73,981 individuals through intelligence and law enforcement agencies. More than 11,640 reports containing adverse information were received, and of these 78 resulted in declining the loan application.

During fiscal year 1976, the office checked 69,762 individuals with about 12,570 of these reports containing adverse information, resulting in 45 loan applications being rejected.

Loans withheld as a result of such investigations amounted to approximately \$7,581,488 in fiscal year 1975, and \$8,236,233 in fiscal year 1976.

During fiscal year 1975, SBA made 356 referrals to the FBI for investigation involving suspected fraud by SBA loan applicants or recipients. FBI investigations resulted in 33 indictments and 33 convictions.

During fiscal year 1976, SBA made 252 referrals to the FBI for suspected fraud by SBA loan applicants or recipients. These resulted in 25 indictments and 20 convictions.

During fiscal year 1975, SBA conducted 23 field investigations of SBA personnel. Twenty-seven personnel cases were referred to the FBI, resulting in one criminal conviction and four indictments. During fiscal year 1976, SBA conducted 20 field investigations with 24 personnel cases referred to the FBI, resulting in three criminal convictions and nine indictments.

The SBA's Security and Investigations Program has been updated by a field inspection program, under which each district and regional office will be visited at least once over a 2-fiscal-year cycle. These inspections are in addition to specific requests for investigation.

#### Public Education Program

The SBA carries on several activities designed to educate the public in general and small businessmen in particular about crime prevention. SBA management assistance personnel, for instance, with 89 field offices throughout the United States, cosponsors crime prevention programs with local groups.

Police officers, security personnel, attorneys, and others are on call to discuss such topics as shoplifting, employee pilferage in stores and plants, burglary, robbery, and bad check passing.



SMITHSONIAN INSTITUTION

The Smithsonian Institution is an independent establishment chartered by Congress in 1846 to carry out the trust responsibilities of the United States assumed under the will of James Smithson of England. The administration of the Smithsonian is vested in a Board of Regents which in turn appoints the Secretary, the chief administrative officer of the Institution.

In carrying out its trust responsibilities, the Institution performs research; preserves for study and reference over 65 million items of scientific, cultural, and historical interest; publishes and assists in the exchange of learned material; and engages in many educational programs. Its activities are supported by its trust endowments and gifts, grants and contracts, and funds appropriated to it by Congress.

The Secretary of the Institution is authorized to maintain a special police force for the protection of buildings and grounds under his control, and the National Zoological Park Police and the Smithsonian Institution Protection Force exercise this authority. The Smithsonian Protection Force currently consists of more than 400 men and women: police, guards, canine handlers, investigators, alarm control operators, and technicians. The zoo police consists of 30 men. Both forces work closely with the

U.S. Park Police and the District of Columbia Metropolitan Police Department, relying upon them for technical assistance, in the case of bomb threats, for transportation, and for lockup of prisoners. The Smithsonian forces provide full police services and security to the Institution, and within the confines of their jurisdiction enforce rules and regulations of the Institution, District of Columbia codes, and criminal statutes of the United States.

Scientists and curators in various divisions of the Institution are frequently requested to identify stolen objects and forged documents. The division most frequently called upon is physical anthropology. In fiscal year 1976, there were 25 FBI requests requiring forensic medical examinations and/or scientific identification of skeletal remains (including 23 human skeletons); other agency requests totaled 32. Other agencies include the U.S. Navy Bureau of Medicine, U.S. Army Medical Division, Armed Forces Institute of Pathology, Offices of the Chief Medical Examiner in Florida, Maryland, Virginia, Pennsylvania, North Carolina, and Vermont, and various State law enforcement agencies across the Nation.

DEPARTMENT OF STATE

The Department of State not only implements U.S. foreign policy but also initiates action abroad to promote the Nation's domestic objectives, including effective law enforcement.

The latter covers international narcotics traffic and international terrorism.

Scope of Major Activities in Law Enforcement and Criminal Justice

To control narcotics, the Department coordinates international cooperation efforts, conducts bilateral negotiations with other foreign states, promotes more effective United Nations activity against drug abuse, and encourages multilateral negotiations of international agreements on drug control. These include:

Bilateral Action through which the Department develops mutual assistance arrangements with a number of countries against illegal drug traffic.

Mexico continues to be the focal point of a major opium poppy eradication effort and an intensified illicit narcotics traffic interdiction program. This cooperative U.S.-Mexico program brought about the destruction of the bulk of Mexican opium poppy cultivation and the seizure of sizable quantities of heroin and opium. A major effort

is being made to hold these gains and to neutralize the Mexican source of heroin in the United States.

The cocaine belt (Bolivia, Colombia, Ecuador, and Peru) continues to pose a problem. The United States policy on cocaine is under review; however, international efforts to control the abuse of this drug and to curtail its traffic will continue to receive full support of the United States.

Support for the Role of the United Nations which encourages and directs international efforts to cope with the drug problem. The U.N. Economic and Social Council has primary responsibility within the world body for this task. The Council, in turn, delegates responsibility to the Commission on Narcotic Drugs. The United States supports this important narcotic control effort by its backing of the Commission and the International Narcotics Control Board formed under the Single Convention on Narcotic Drugs in 1961.

Multilateral Treaties the United States has taken a leading role in negotiating include the Single Convention on Narcotic Drugs of 1961, the basic international treaty providing for the international regulation of narcotic drugs, and a protocol amending the Single Convention.

The President currently is awaiting Senate ratification of the Convention on Psychotropic Substances, which was adopted by a plenipotentiary conference in Vienna in February 1971.

Cabinet Committee to Combat Terrorism

The Department coordinates domestic and international efforts to combat terrorism through the Secretary's chairmanship of this Committee. Formed in 1972 as an outgrowth of the massacre of Israeli athletes at the Munich Olympic Games, the Committee was told to coordinate the intelligence resources of the United States and cooperating governments to combat terrorism and provide physical security for United States interests abroad and foreign diplomatic interests in the United States.

The hijacking and sabotage of commercial aircraft have received major attention from the Department in its efforts against terrorism.

The United States took a leadership role in the signing of three international conventions dealing with terrorist moves against commercial aircraft.

The U.N. Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons entered into force on February 20, 1977, the United States depositing its instrument of ratification on October 26, 1976. It obligates parties to impose appropriate penalties

on those guilty of a variety of crimes against internationally protected persons, e.g., murder, kidnaping, assault, etc.

The U.S. Act for the Prevention and Punishment of Crimes Against Internationally Protected Persons of 1976 implements the convention and codifies into U.S. law the relevant obligations of a party to the convention.

#### Criminal Investigations

If the Department of State discovers evidence of crimes against the United States during its continuing investigations and inquiries, it refers the evidence to the Department of Justice for appropriate disposition.

The Department can refuse or revoke the passport of a person subject to a Federal felony warrant, thus restricting or sometimes preventing the international movement of fugitives.

#### Mutual Legal Assistance

The United States' treaty with Switzerland for mutual assistance in criminal matters entered into force on January 23, 1977. Under it law enforcement agencies of the respective countries can request and obtain specific assistance from the appropriate authorities of the other, including the aid of the courts of the other country.

Informal judicial assistance arrangements also have been made with Colombia, Peru, and Mexico in the course of

narcotic control cooperation. Under the Single Convention on Narcotic Drugs, 1961, as amended, arrangements have been made for cooperation in the prosecution of offenders. More formal arrangements with these and other countries are under consideration.

#### Extradition of Fugitives

The Department of State is responsible for international extradition and return of certain fugitives.

The Department continually reviews outstanding extradition treaties and seeks to modernize extradition relations by negotiating amendments to existing bilateral treaties or new comprehensive bilateral treaties.

In 1976, new treaties with Canada and Australia entered into force. A new treaty with Finland was signed at Helsinki on June 11, 1976, and is awaiting Senate ratification.

A new extradition treaty with the United Kingdom entered into force on January 21, 1977, and a new treaty with Norway was signed at Oslo on June 9, 1977.



DEPARTMENT OF TRANSPORTATION

The Department of Transportation is responsible for developing fast, safe, and efficient means of transportation throughout the country and for reducing and preventing criminal actions in all modes of transportation.

The Department does not have the authority to prosecute under criminal statutes. But it does set security standards, and it cooperates with the Department of Justice in efforts to apprehend and punish violators.

Civil Aviation Security Program

In January 1973, increased air hijackings forced the Department of Transportation to shift from voluntary controls to the mandatory procedures prescribed by Federal air regulations to prevent air piracy. From 1969 until the new rules went into effect, 69 scheduled U.S. airlines had been successfully hijacked. Since then there has been only one successful hijacking of a U.S. airliner.

National Cargo Security Program

The Department of Transportation has encouraged American industrial firms to participate in a national voluntary effort to control cargo theft by providing motivation and technical assistance and establishing Cargo Security Advisory Standards. DOT has developed a

computer system for processing loss data to evaluate the voluntary program. More than \$1 billion is lost annually through cargo thefts.

On January 27, 1975, the President issued an executive order formally establishing the National Cargo Security Program. The order required the Secretary of Transportation to report annually to the President on the effectiveness of the voluntary program, and on March 31, 1977, the Secretary recommended continuing the voluntary program at least through March 1978.

#### FEDERAL AVIATION ADMINISTRATION

The Federal Aviation Administration operates a number of programs which concern Federal law enforcement and criminal justice activities. These programs focus primarily on antihijacking and antisabotage measures and the prevention of crimes affecting civil aviation security.

There were 1,950 bomb threats made against aircraft during 1976. Under an FAA-sponsored program, explosive-sniffing dogs are deployed at 28 airports throughout the country. No aircraft is ever more than 1 hour from one of these airports, where it can land and be checked for explosives.

UNITED STATES COAST GUARD

The U.S. Coast Guard, DOT's second largest operating administration, is the primary maritime law enforcement agency of the U.S. Government. The statutes, which give the Coast Guard general law enforcement power, authorize its personnel to make searches, seizures, and arrests on the high seas and waters in which the United States has jurisdiction to prevent, detect, and suppress violations of the law. Other statutes specifically empower the Coast Guard to act in certain situations as a primary or secondary law enforcement agency.

In meeting its general law enforcement responsibilities, the Coast Guard concentrates on regulating marine traffic control and safety; protecting the safety of ships, boats, recreational boaters, ports, and offshore structures; enforcing laws, treaties, and other agreements involving environmental protection and conservation; and acting as the primary law enforcement agency when any crime is committed on the high seas. Port security forces work closely with the Bureau of Customs and the Immigration and Naturalization Service to control smuggling and the entry of illegal aliens. The Coast Guard may levy penalties for the harmful discharge of oil offshore, and in 1977 it was empowered to enforce the 200-mile fishery conservation zone.

FEDERAL HIGHWAY ADMINISTRATION

The Office of Program Review and Investigations of the Federal Highway Administration investigates alleged irregularities and improprieties in the administration of Federal or federally aided highway programs.

Possible violations of Federal criminal laws are referred to the Department of Justice for appropriate action. Investigations are made of allegations of irregularities, such as fraud, land speculation, bribery, false statements, collusion, conflict of interest, and impropriety of action by Administration employees, or State or other political subdivision employees.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Since 1966, State and local police agencies have improved their traffic law enforcement capabilities by using Federal funds provided by the National Highway Traffic Safety Administration to begin programs and acquire needed equipment. Emphasis is now on programs which require a minimum purchase of equipment.

driver. Many States now are operating their own programs based on the success and experience of the demonstration programs.

Since the national speed limit of 55 miles per hour was passed by Congress in 1974, NHTSA has been working with the States to encourage tighter enforcement of the speed limit. Funds have been made available for increasing highway patrol time, and for the purchase of various speed control devices and other equipment.

#### URBAN MASS TRANSPORTATION ADMINISTRATION

The Urban Mass Transportation Administration funds technical studies; capital purchases; operating assistance; and research, development, and demonstration projects.

UMTA assists local transit operators in purchasing a variety of security-related equipment under the capital assistance program, including two-way radio communications systems for bus and rail operations, TV security systems, safes, subway supervisory control systems, motorized security doors for transit facilities and vehicles, emergency alarm systems, and fire detection devices.

In fiscal year 1976, UMTA provided \$12.3 million to complement other Federal and local efforts to reduce and prevent crime on transit systems.



DEPARTMENT OF THE TREASURY

The Department of the Treasury shares with the Department of Justice major responsibilities for the detection and apprehension of violators of Federal criminal laws. Areas of special concern to Treasury include the supervision of laws on income and other taxes, customs, counterfeiting of currency, protection of the President and other officials, and enforcement of Federal firearms laws.

Organized Crime and Narcotics Traffic

Treasury's anticrime programs include ways to combat organized crime by the Internal Revenue Service's efforts to identify groups and individuals who have failed to report and pay income tax on substantial profits from illegal activities. The Department's antinarcotics program focuses on tax evasion by high-level drug traffickers and financiers in a program conducted jointly with the IRS, the Department of Justice, the Drug Enforcement Administration, and the U.S. Customs Service.

The U.S. Customs Service guards against the illegal importation of contraband including illegal drugs at U.S. ports of entry and borders. In addition, the Department's Office of Enforcement studies various national and international aspects of the narcotics problem. It also has jurisdiction in international and domestic terrorist

activities and is on the Working Group to Combat Terrorism with the Secret Service, Customs Service, and Bureau of Alcohol, Tobacco, and Firearms.

#### Enforcement and Operations

The Assistant Secretary for Enforcement and Operations formulates law enforcement policies for all Department criminal justice activities and coordinates these activities with those of other Federal, State, and local law enforcement agencies.

Office of Enforcement. The Office of Enforcement develops and comments on all policy concerning national and international law enforcement programs, including narcotics and dangerous drugs, organized crime, and antiterrorism.

It oversees activities of the U.S. Secret Service; the U.S. Customs Service; the Bureau of Alcohol, Tobacco, and Firearms; and administers regulations of the (Foreign) Bank Secrecy Act.

#### INTERPOL

INTERPOL promotes cooperation and assistance among its 125 member countries to combat crime. Treasury represented the United States from 1958 to February 1, 1977, in INTERPOL and operated the U.S. National Central Bureau, which coordinates all INTERPOL requests in the United

States. INTERPOL itself does not have investigative or police power but serves as a coordinating and information-directing agency.

In fiscal 1976 INTERPOL assisted local, State, and Federal law enforcement agencies in the United States with 1,338 criminal investigative requests from foreign countries and aided foreign agencies with 5,214 criminal investigative requests to U.S. agencies.

From February 1, 1977, to February 1, 1979, the Deputy Attorney General is the U.S. representative to INTERPOL with the Department of the Treasury resuming the U.S. role on February 1, 1979, for 2 years.

#### FEDERAL LAW ENFORCEMENT TRAINING CENTER

The Federal Law Enforcement Training Center trains investigators and police officers of 29 participating agencies. In fiscal 1977, it will train approximately 6,000 students.

#### BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

The Bureau of Alcohol, Tobacco, and Firearms enforces Federal firearms and explosives statutes and regulations; provisions pertaining to arms imports; and regulations regarding the production and distribution of distilled spirits.

The Bureau began its Operation Concentrated Urban Enforcement (CUE) in the Washington, D.C., area in February 1976 to trace firearms and eliminate illegal sources of weapons in cooperation with local police agencies. Operation CUE was expanded to Chicago and Boston on July 1, 1976.

The Bureau developed the Significant Criminal Armed and Dangerous Enforcement Program to identify and apprehend criminals who illegally use guns and bombs/explosives. From its inception in 1974 through June 30, 1976, 2,083 criminals were investigated as "significant criminals"; 648 were recommended for prosecution; 510 were accepted for Federal prosecution; and the cases of 55 were pending.

The Bureau's National Firearms Tracing Center processed approximately 176,019 firearms traces since its creation in 1972. The Bureau's Criminal Enforcement Division conducted 34,673 criminal investigations with 7,793 cases forwarded for prosecution.

#### UNITED STATES CUSTOMS SERVICE

The Customs Service enforces customs and related laws involving the smuggling of contraband; assesses, collects, and protects the levying of import duties and taxes; and controls carriers, persons, and articles entering or departing the United States.

During fiscal 1976, Customs cleared more than 269 million persons arriving in the United States. Some 79 million

cars, trucks, and buses; 129,000 ships and 353,000 aircraft also were cleared. This involved making 78 million baggage examinations and processing 13 million Customs declarations. Customs collected a record \$4.9 billion in duty and taxes, and processed \$113.6 billion in imported goods.

Customs also seized \$821 million worth of merchandise, including illicit drugs, prohibited articles, and undeclared goods, in fiscal 1976. There were 22,989 drug seizures and 19,104 arrests. In addition, neutrality violations--smuggling arms out of the United States to other countries--jumped from 674 cases in 1975 to 1,517 cases in fiscal 1976. Customs also established six air support branches near San Diego, Tucson, El Paso, San Antonio, New Orleans, and Miami. It also used successfully, for the first time, long-range radar and supporting mobile ground-based radar to detect and track smugglers. Information from the Treasury Enforcement Communications System resulted in the arrest of 673 wanted felons.

In fiscal 1976 there were 29,202 cases opened, 27,145 closed, and a backlog of 18,971 at the end of the fiscal year.

Customs' antifraud programs collected during fiscal 1976 \$17,396,450 in revenue from fraud investigations.

UNITED STATES SECRET SERVICE

The Secret Service protects the President, his immediate family, the President-elect, the Vice President, Vice President-elect, and their immediate families; major Presidential and Vice Presidential candidates; and visiting foreign heads of state. The Secret Service also enforces laws relating to coins, obligations, and securities of the United States or foreign governments.

The Service provided personal protection to Presidential and Vice Presidential candidates for 13 months prior to the 1976 election. It also safeguarded the large number of foreign dignitaries visiting for the 31st Anniversary of the United Nations and accommodated permanent protectees' increasing amounts of foreign travel.

During fiscal 1976, it seized 90 percent of the \$35.1 million in known counterfeit currency before it got into circulation. Losses to the public totaled \$3.4 million, down 6 percent over the losses in fiscal 1975. For the first 3 months of fiscal year 1977, losses remained constant at \$1.1 million, while seizures increased to \$16 million. During fiscal 1976, counterfeiting arrests totaled 1,500 and for fiscal 1977 the projection was for more than 1,800.

### Executive Protective Service and Treasury Security Force

The Executive Protective Service (EPS), a uniformed branch of the Secret Service, protects the Executive Mansion and grounds, the President and his immediate family, the temporary official residence of the Vice President as well as the Vice President and his immediate family, and foreign diplomatic missions located in the metropolitan area of Washington, D.C. EPS also protects foreign diplomatic missions in other locales when an extraordinary protective need arises or when directed by the President. The Treasury Security Force protects life and property at the main Treasury building and the Treasury annex in Washington.

### INTERNAL REVENUE SERVICE

The Internal Revenue Service encourages the highest possible degree of voluntary compliance with U.S. tax laws and regulations.

Total revenue collected by IRS amounted to approximately \$294 billion in fiscal 1975 and \$302 billion in fiscal 1976. Willful evasion of taxes was dealt with by the Intelligence Division of the IRS. Attempts to improperly influence IRS personnel were dealt with by the Internal Security Division.

### Intelligence Division

The Intelligence Division investigates alleged criminal violations of the Internal Revenue Code and related offenses relating to tax evasion and willful failure to file returns. The division's budget was \$100,230,000 for fiscal 1976. It has 2,700 special agents, and recommended prosecution of 2,760 cases in fiscal 1975 and 3,147 cases in fiscal 1976.

General Enforcement Program. Significant areas of coverage in the General Enforcement Program included cases on multiple filers, tax protesters, improper use of foreign tax shelters and corporate slush funds, and corruption of public officials. In fiscal 1976, the division recommended 2,666 cases for prosecution and 2,258 cases in fiscal 1975.

Special Enforcement Program. This program primarily relates to criminal tax investigations of individuals engaged in illegal business activities and organized crime. In fiscal 1976, the division recommended prosecution in 481 cases and in 502 cases in fiscal 1975.

### Internal Security Division

The Internal Security Division conducts personnel background investigations and investigations of complaints or allegations concerning IRS employees. Non-Service personnel are investigated when their actions may affect the

integrity of the Service or safety of Service personnel, such as attempts to bribe or otherwise corrupt Service personnel. In fiscal 1975, 2,719 complaint-type cases were closed along with 11,104 background investigations. In fiscal 1976, 2,076 complaint type cases were closed along with 17,004 background investigations.

#### Prosecutions and Convictions

Prosecutions initiated by the division were based on charges of assaults or threats against IRS employees, attempted bribery, unauthorized disclosure of confidential tax information, willful filing of false or fraudulent forms, payment of gratuities, embezzlement, perjury, and conspiracy.

A total of 619 assaults was reported in fiscal year 1975, and 705 in fiscal year 1976. In 1975, 15 persons were convicted; in 1976, 27 persons were convicted or pleaded guilty, and an additional 13 persons were placed in pretrial diversion. In fiscal year 1975, 219 employees reported 238 possible bribes resulting in 61 arrests or indictments with 41 convictions and 44 awaiting trial.

In fiscal 1976, 179 employees reported 204 possible bribery attempts resulting in 51 arrests or indictments; with 43 convictions and 42 awaiting trial. During the 15-year period that Internal Security has had bribery

jurisdiction, 1,851 possible attempts to bribe have been reported. Of this number, one of every four resulted in prosecution of the taxpayer.

#### COMPTROLLER OF THE CURRENCY

The Office of the Comptroller of the Currency (OCC) charters, examines, and regulates national banks to ensure that they operate safely and in accordance with Federal law.

The OCC currently employs approximately 2,000 assistant and commissioned National Bank Examiners to monitor the banks' adherence to Federal law. Potential violations, most of which are discovered in the examination process, are referred to the appropriate United States attorney or the Federal Bureau of Investigation by personnel in the various regional offices of the OCC. Within certain statutory prerequisites, the comptroller may, among other things, order a national bank to cease and desist from unsafe and unsound practices or violations of law, remove officials from banks, and appoint a conservator or receiver.

## VETERANS ADMINISTRATION

The Veterans Administration administers the laws authorizing benefits for former members of the Armed Forces and for the dependents and other beneficiaries of deceased former members of such forces.

While the Veterans Administration is not a law enforcement agency as such, this agency is involved in the following activities relating to law enforcement:

1. Maintenance of a VA Hospital Police system which is charged, by law, with maintaining security and protecting persons and property at facilities under the charge and control of the Veterans Administration;
2. Providing educational benefits for persons training in jobs which lead to positions in the law enforcement field; and
3. Providing treatment and rehabilitation programs for individuals with drug and alcohol problems.

### Law Enforcement Activities to Protect Persons and Property at VA Facilities

The Administrator of Veterans Affairs is responsible for maintaining law and order and protecting persons and property at facilities under VA jurisdiction. These facilities include 172 hospitals, 244 clinics, 3 supply depots, and various other administrative support facilities.

Each hospital facility contains a minimum of two bulk drug storage areas, three cash handling functions, radio-isotope material, and medical supplies and equipment of inestimable value. Of paramount importance is the protection of the approximately 80,000 daily hospital in-patient population, and nearly 200,000 employees.

Within its statutory authority, the Veterans Administration has a comprehensive security and law enforcement program limited to the protection of properties under its control and not under the control of the General Services Administration. The VA Hospital Police, about 1,800 police officers, enforce VA regulations as well as other Federal laws on such property. The VA's automated monthly crime report system shows that the monthly averages at VA hospitals alone for the current fiscal year were: 60 burglaries, 1,074 thefts, 7 robberies, 12 arsons, 107 narcotic possessions, 88 weapon possessions, 207 assaults, 2,058 disturbances, and 1 attempted rape. Enforcement actions include an average of 251 physical arrests and 123 arrests by U.S. District Court Violation Notice each month and the issuance of 3,485 U.S. District Court Violation Notices for traffic offenses. Monthly dollar losses due to theft, robbery, and vandalism average \$239,000.

Veterans seeking medical treatment, including those in need of drug or alcohol rehabilitation and those with mental or emotional disorders which may underlie exhibited criminal misconduct, require special consideration by VA Hospital Police Officers. Intensive training efforts have been implemented to try to assure that no veteran, either armed or acting in a criminal manner while seeking or undergoing medical treatment, is seriously injured by VA Hospital Police Officers. Losses of controlled and dangerous substances through burglary of hospital pharmacies and supply warehouses have been drastically curtailed by rigid security requirements implemented in the past few years. During the current fiscal year, major efforts were made in police training and operational procedures to make them more responsive to individual rights. In another major action, to improve coordination of law enforcement and public safety activity at VA facilities with other Federal and State law enforcement agencies, the VA Hospital Police units joined the FBI National Crime Information Center program through respective State terminals.

Most of the United States district courts have approved of the use of U.S. District Court Violation Notices by VA police and have adopted Rules of Court allowing forfeiture of collateral for petty offenses. In several districts, Rules of Court do not yet permit the VA police to issue citations, or permit forfeiture of collateral,

and the VA is continuing efforts to have all U.S. district courts adopt Rules of Court. Another problem is the selection, training, and retention of qualified police personnel. The VA is making some progress toward solving the problem through internal agency efforts and participation in CSC studies of the problems of wage structures and personnel standards.

#### Law Enforcement Training

The VA assists law enforcement agencies engaged in recruiting and training personnel by encouraging on-the-job training programs for those eligible for the GI bill's education benefits.

Published VA guidelines describe programs which may be approved, and VA regional offices offer advice and help to police departments in their areas. Courses last from 6 months to 2 years and must be approved by the appropriate State agency as well as the VA.

During fiscal year 1975, a total of 14,442 persons were in training under VA programs for police-type service jobs. Of these, 10,357 were training to be police and detectives; 2,967 guards and watchmen; and 1,118 sheriffs and bailiffs. In fiscal year 1975, the VA provided an estimated \$73.5 million for all types of protective services training.

### Drug Dependence Treatment

The VA started its first five drug dependence treatment programs in 1971, but by fiscal year 1976, approximately \$35,137,000 were spent by the VA for drug dependence treatments in 53 special centers and hospitals. During the year, 26,527 veterans with drug problems were admitted (including approximately 400 active duty servicemen transferred through the Armed Services Medical Regulating Office) to beds set aside for detoxification, withdrawal, screening, and residential treatment. This caseload generated more than 1,201,981 outpatient visits. A typical treatment requires 2 to 4 weeks of hospitalization followed by an extended period of outpatient care. It includes a combination of medical, social, psychiatric, and vocational services designed to eliminate the patient's dependence on opiates and other drugs.

### Alcohol Dependence Treatment

The VA staffs and operates the Nation's largest unified system of treatment for alcoholics. Specialized treatment units are located in 78 VA hospitals. A variety of medical-behavioral approaches are utilized to treat alcohol-dependent veterans. From July 1975 to June 1976, 98,087 veterans with principal diagnoses of alcoholism (defined as alcohol addiction, including chronic alcoholism) were treated and discharged. During the same period, 62,721

veterans with associated alcoholism diagnoses also were treated and discharged. The total budgeted operating cost of this alcoholism treatment program in fiscal year 1976 exceeded \$62,286,000.

